

Last year may be remembered as one of the toughest the financial world has ever faced. As we respond to today's market realities, our

focus is on safeguarding

the future health and retirement security for California's public employees.

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2009

California Public Employees' Retirement System
A Component Unit of the State of California

CalPERS

Comprehensive Annual Financial Report **Fiscal Year Ended June 30, 2009**

Prepared by the Fiscal Services Division, the Investment Office, the Actuarial and Employer Services Branch, the Office of Public Affairs, and several additional divisions and branches of the California Public Employees' Retirement System.

Available online at www.calpers.ca.gov

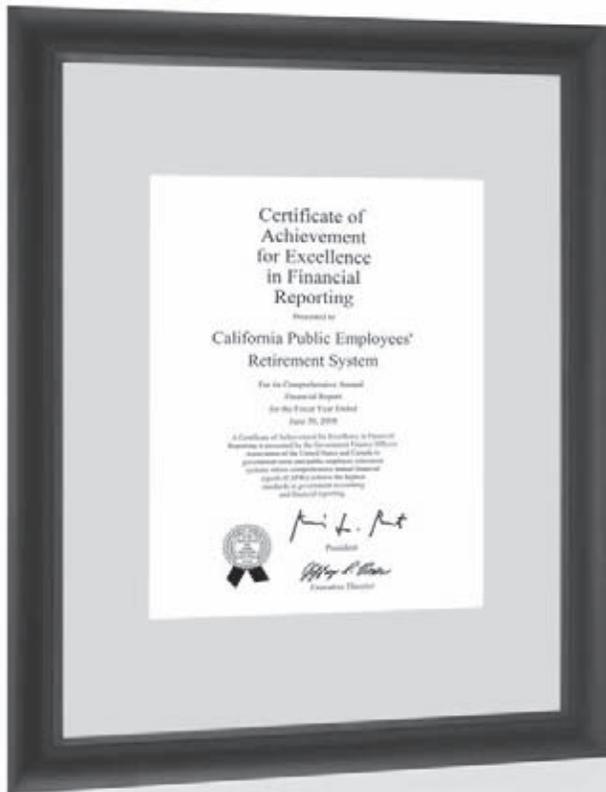
CalPERS

California Public Employees' Retirement System
A Component Unit of the State of California

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Professional Awards



CERTIFICATE OF ACHIEVEMENT OF EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to CalPERS for our Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008. This was the 13th consecutive year that CalPERS has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report that satisfies both generally accepted accounting principles and applicable legal requirements. We believe our current comprehensive annual report continues to meet the Certificate of Achievement Program's requirements.



PUBLIC PENSION STANDARDS AWARD

The Public Pension Coordinating Council (PPCC) awarded a Public Pension Standards Award for Funding and Administration to CalPERS for our Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008. This is the 8th consecutive year that CalPERS has achieved this prestigious award. CalPERS also received this award in 1997, 1998, and 2000. In order to be awarded a Public Pension Standards Award, a public pension program must meet professional standards for plan design and administration as set forth in the Public Pension Standards. A Public Pension Standards Award is valid for a period of one year.

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Chief Executive Officer's Letter of Transmittal



Anne Stausboll
Chief Executive Officer

December 17, 2009

Members of the CalPERS Board of Administration:

I am pleased to present the CalPERS Comprehensive Annual Financial Report (CAFR) and accompanying Operations Summary for the year ended June 30, 2009.

Fiscal year 2008-09 was one of unprecedented challenges. Both large and small investors experienced significant declines in asset values. As the global economic recession took hold, no asset class or industrial or geographic sector was unaffected, and worldwide equity declined 39 percent.

Like most investors, CalPERS experienced a decline in our investment portfolio, with the market value of our assets declining 24.8 percent for the fiscal year ending June 30, 2009. Although this was the largest one year decline in our history, our long-term 20-year investment return remains positive at 7.75 percent.

As the depth of the market crisis became clear, our Board and investment staff took a deliberative and proactive approach that has assured our resiliency throughout our history. To minimize losses and position our fund for a full recovery, we employed short-term tactics and long-term strategies. We revised our asset allocation to provide flexibility in our day-to-day management and to enable us to harness new investment opportunities. We also began to analyze our real estate holdings, restructuring debt, and reducing leverage. And finally, we sought better alignment of interests, terms and fees with our private equity, hedge fund and real estate partners.

During the year, our call centers and regional offices fielded member inquiries about the impact of the market downturn. Our staff let members know that we are strong and resilient and that they can depend on us to meet our health and retirement benefit obligations. We generate sufficient cash income from investments and contributions to cover our monthly benefit roll. In fiscal year 2008-09, we paid more than \$11 billion to retirees and beneficiaries, and spend more than \$5.7 billion on health care.

We appointed new Deputy Executive Officers to help guide our organization into the next decade. Steve Kessler was named our new Deputy Executive Officer of Operations. Prior to coming to CalPERS, Mr. Kessler served as the Chief Deputy Director of Operations for the California Department of Public Health. Our new Deputy Executive Officer of Benefits is Kathleen Hamilton. She joined CalPERS from the Office of California Assemblyman Dave Jones where she served as Legislative Director. Patricia Macht was appointed as our new Director of External Affairs. Pat previously served as Assistant Executive Officer of CalPERS Public Affairs, and worked at CalPERS for nearly 15 years.

In response to concerns about how the decline in our investment portfolio will affect employer rates, the CalPERS Board modified our employer rate smoothing process for State, schools, and local public agencies. The one year of extraordinary declines will be phased into employer rates over three years and be paid off over a fixed 30-year amortization period. These actions will moderate employer rate increases in the short term while strengthening CalPERS long-term financial health.

During the year, the CalPERS Environmental Technology Program made significant progress toward meeting our environmental goals. Our real estate partners achieved a 13.3 percent reduction in energy use in just one year. Eleven of our partners investing in 79 private companies through our Alternative Investment Management Program (AIM) reduced greenhouse gas emissions by the amount produced annually by 39,000 Americans.

Our internal commitment to the environment is demonstrated daily by our aggressive recycling efforts. This year, we are taking another "green" step by limiting

the printed distribution of this Comprehensive Annual Financial Report as well as the accompanying Operations Summary. Many of the individuals who normally receive a printed copy will instead receive information about how to access and review the documents through our Web site.

This year, we are taking another “green” step by limiting the printed distribution of this Comprehensive Annual Financial Report as well as the accompanying Operations Summary.

Just as smart investors diversify their portfolios, they must also diversify their workplace. Taking advantage of the broadest possible investment talent contributes to our overall success while creating new opportunities in under-served markets. As part of our commitment to encouraging diversity in investing, in 2009, we joined with CalSTRS and the California Legislative Women's Caucus to sponsor a conference focused on women who work in the investment industry. The conference provided attendees information about how to position their firms to expand or create a successful business partnership with CalPERS.

During the fiscal year, the primary focus of many of our internal divisions was on meeting a key goal of our Business Plan — implementation of the new my|CalPERS. my|CalPERS is an integrated database platform that will provide members 24/7 access to information about their retirement and health benefits. The system will facilitate the exchange of information between employers and CalPERS as well as expediting interactions with CalPERS for other business partners. my|CalPERS will increase data integrity; reduce time required for completing routine tasks; lower technology maintenance costs; and simplify business processes. It will also allow CalPERS staff to close out most customer requests during the initial contact.

As we prepare for the implementation of the new my|CalPERS, we ramped up the activities of our Public Employer Readiness Team (PERT). The team conducted employer workshops throughout the State and held a series of Web conferences with modules designed for different types

of employers. PERT will continue to work with employers to train their staff on how to use the new my|CalPERS.

Providing members and employers the best possible value is a key goal of our Health Benefits Program. The 2010 health benefits package raises overall premiums by an average of 2.9 percent — the lowest average rate increase in 14 years. The low premium increase illustrates the effectiveness of many of the cost-saving and member education initiatives we have implemented over the past several years.

To educate members and employers about CalPERS health care trends and costs, during the fiscal year we implemented the *Be Well, and Well Informed* campaign. The campaign shows members how they can help control health care costs, and offers information about the impact of federal national health care reform proposals.

As part of our commitment to reducing health care costs, in early 2009, we launched an electronic prescription (e-Prescribing) pilot program with Anthem Blue Cross, Blue Shield of California, and Medco Health Solutions. Evidence shows that e-Prescribing improves patient safety and reduces overall health care costs.

Management Responsibility for Financial Reporting

Our system management prepared the CalPERS financial statements included in this CAFR for the 2008-09 fiscal year. Management is responsible for the integrity and fairness of the information presented, including data that, out of necessity, is based on estimates and judgments. The accounting policies used to prepare these financial statements conform to accounting principles generally accepted in the United States. Financial information presented throughout this Annual Report is consistent with these financial statements.

CalPERS maintains a system of internal controls designed to provide reasonable assurance that assets are properly safeguarded, transactions are properly executed, and financial statements are reliable. In addition, internal audit personnel provide a continuing review of the internal controls and operations of CalPERS, and the Chief of the

Office of Audit Services regularly reports to the CalPERS Board of Administration's Finance Committee. The Committee reviews the audit findings and recommendations for improvements in internal control and operational efficiency and the actions of management to implement such recommendations.

Our independent external auditors, Macias Gini & O'Connell, have conducted an audit of the basic financial statements in accordance with auditing standards generally accepted in the United States of America, performing such tests and other procedures as they deem necessary to express an opinion in their report to the Board. The external auditors also have full and unrestricted access to the Board to discuss their audit and related findings as to the integrity of the financial reporting and adequacy of internal control systems.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to CalPERS for our Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008. This was the 13th consecutive year that CalPERS has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. We believe our current comprehensive annual report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The Public Pension Coordinating Council (PPCC) awarded a Public Pension Standards Award for Funding and Administration to CalPERS for our Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009. This is the 8th consecutive year that CalPERS has achieved this prestigious award. CalPERS also received this award in 1997, 1998, and 2000. In order to be awarded a Public Pension Standards Award, a public pension program must

meet professional standards for plan design and administration as set forth in the Public Pension Standards. A Public Pension Standards Award is valid for a period of one year.

Accounting System & Reports

Management is responsible for establishing and maintaining an internal control structure designed to ensure that CalPERS assets are protected from loss, theft, or misuse, and income is equally distributed. Responsibility for the accuracy, completeness, and fair presentation of the information, and all disclosures, rests with CalPERS. The basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The basic financial statements are presented in accordance with pronouncements of the Governmental Accounting Standards Board (GASB), including standards established by GASB Statement No. 25, Financial Reporting for Defined Benefit Plans; GASB Statement No. 34, Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments; GASB Statement No. 43, Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans; and other GASB statements as appropriate. GASB Statement No. 34 requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A).

This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. The CalPERS MD&A can be found immediately following the report of the independent auditors.

Investments

Proper funding and healthy long-term investment returns are essential to the financial soundness of CalPERS. The ratio of investment earnings to total revenue during the last 10 years is evidence of the System's continued solid financial management. See the Chief Investment Officer's letter, page 82, for a summary of our investment performance.

Asset Allocation

An integral part of the overall investment policy is the strategic asset allocation policy. This policy is designed to provide an optimal mix of asset class investments which can best meet future pension obligations with the lowest risk possible and the lowest cost to taxpayers, employers, and employees. This approach emphasizes strong diversification among a range of investments, each of which offers the

The resiliency of our organization has been forged over a 77-year history during which we have faithfully kept our commitment to provide public employees the secure retirement and health benefits they expect.

prospect of compelling, long-term returns. These investments include allocations to listed markets (money markets, bonds, global stocks, and commodities) as well as private markets (real estate, private equity, hedge funds, forestland, and infrastructure).

Funding

The bottom line for a retirement system is its level of funding. If the funding level is adequate, the ratio of total accumulated assets to total liabilities will be larger and the need for contributions will be reduced. Also, an adequate funding level gives participants assurance that their pension benefits are secure.

The historical level of funding for the Public Employees' Retirement Fund (PERF) is good. As of June 30, 2008, the PERF is 86.9 percent funded. The advantages of a well-funded plan are that participants can see assets that are irrevocably committed to the payment of promised

benefits, and employees and taxpayers can minimize their contributions in support of defined benefits. The Required Supplemental Schedules to the Basic Financial Statements and the Actuarial Section contain a summary of CalPERS unfunded actuarial accrued liabilities.

Investment returns are used to generate additional revenues and, ultimately, this allows CalPERS to reduce employer contribution rates, reducing pension costs to employers and taxpayers.

In Closing...

It has been an exciting and challenging time in the last year that I have served as CalPERS CEO. I am encouraged by the dedication of our staff to maintaining our high standards of excellence even during these uncertain times. They have done so

while working reduced hours due to imposed furloughs and facing personal challenges of their own. I am proud to serve as CalPERS CEO and to lead this exceptional team.

The resiliency of our organization has been forged over a 77-year history during which we have faithfully kept our commitment to provide public employees the secure retirement and health benefits they expect. As we move forward, we will continue to do everything we can to keep health care premiums low and quality of care high. We will continue to fine-tune our investment strategies to make every investment dollar count and to minimize public employer contributions. And, we will look to develop innovative programs to improve the value of the products and services we provide to all that we serve.

Anne Stausboll
Chief Executive Officer

About CalPERS

The California Public Employees' Retirement System (CalPERS) is the nation's largest public pension fund with total net assets of \$181.1 billion as of June 30, 2009.

Headquartered in Sacramento, CalPERS provides retirement and health benefit services to more than 1.6 million people and 3,026 school and public employers. The System also operates eight Regional Offices located in Fresno, Glendale, Orange County, Sacramento, San Diego, San Bernardino, San Jose, and Walnut Creek.

Led by a 13-member Board of Administration, consisting of member-elected, appointed, and ex officio members, CalPERS membership consists of 1,134,397 active and inactive members and 492,513 retirees, beneficiaries, and survivors from State, school, and public agencies.

Established by legislation in 1931, the System became operational in 1932 for the purpose of providing a secure retirement to State employees. In 1939, new legislation allowed public agency and classified school employees to join the System for retirement benefits. CalPERS began administering health benefits for State employees in 1962, and five years later, public agencies joined the Health Program on a contract basis.

A defined benefit retirement plan, CalPERS provides benefits based on a member's years of service, age, and highest compensation. In addition, benefits are provided for disability and death. Today CalPERS offers additional programs, including long-term care insurance, a member home loan program, a deferred compensation retirement savings plan, and member education services.

OUR MISSION

To advance the financial and health security for all who participate in the System. We will fulfill this mission by creating and maintaining an environment that produces responsiveness to all those we serve.

CORE VALUES

Quality

Strive to meet internal and external customer's needs through innovation, competence, and teamwork. Seek to "do it right" the first time.

Respect

Sensitive to the needs of others, both within and outside the organization. Courteous, considerate, responsive and professional.

Integrity

In all endeavors, act in an ethical, honest and professional manner.

Openness

Willing to listen to, and share information with others. Receptive to new ideas. Trusting.

Accountability

Take ownership and responsibility for actions and their results. Accept both risks and rewards, trusting that good faith risks will not be punished.

GOALS AND OBJECTIVES

- We will be mission driven.
- We will sustain a high-performance work culture.
- We will make our programs, processes and strategic decisions understandable to our stakeholders and highly valued by our internal and external customers.
- We will use our resources effectively.
- We will continuously meet or exceed internal and external customer quality-of-service expectations.
- We will design, develop and deliver our programs and benefits to be innovative and market sensitive.
- We will have a positive public identity and relationship with our external customers and stakeholders.
- We will effectively organize and focus resources to primarily assure that sufficient funds are available to pay benefits and, secondarily, minimize and stabilize employer contributions.

GUIDING PRINCIPLES

We perform our daily functions under the following:

- Designing and administering the highest quality, secure and innovative programs.
- Delivering retirement, health and other benefits and services in an equal, accurate, courteous, professional and prompt manner.
- Providing meaningful information and education to all System constituents in a timely manner.
- Attracting, developing and retaining a competent, creative and highly motivated workforce.
- Obtaining the highest return on our investment portfolio to survive, prosper and grow in a safe and prudent manner.
- Ensuring that all benefits are appropriately funded.
- Maintaining public trust by being an ethical, sensitive, effective and cost-efficient organization in service to employers and employees alike.
- Sustaining our role as a respected leader in the public pension and benefits industry.

Board of Administration

Rob Feckner, President

Employer Member (elected by school members)
Glazing Specialist,
Napa Valley Unified School District
Term Ends: January 15, 2011

George Diehr, Vice President

Employer Member (elected by State members)
Professor, CSU San Mateo
Term Ends: January 15, 2011

Kurato Shimada

Employee Member (elected by all members)
Retired, Supervisor of Operations,
Oak Grove School District
Term Ends: January 15, 2014

John Chiang

State Controller
Ex Officio Member

Maeley L. Tom (*Patricia Clarey through October 2009*)

State Personnel Board Member (designated by
the State Personnel Board)
Term Ends: Serves at the pleasure of the SPB

Dan Dunmoyer (*Marjorie Berte through May 2009*)

Official of Life Insurer¹
Senior Vice President,
Legislative and Regulatory Affairs
Farmers Insurance Groups of Companies and
Zurich Financial Services
Term Ends: January 15, 2013

Debbie Endsley (*David Gilb through August 2009*)

Director,
Department of Personnel Administration
Ex Officio Member

Henry Jones

Retired Member (elected by retirees)
Retired, Chief Financial Officer,
Los Angeles Unified School District
Term Ends: January 15, 2012

Bill Lockyer

State Treasurer
Ex Officio Member

Priya Mathur

Employee Member (elected by public agency members)
Economist, Bay Area Rapid transit
Term Ends: January 15, 2011

Louis F. Moret

Public Representative²
Term Ends: January 15, 2012

Tony Oliveira

Elected Official of Local Government¹
Term Ends: January 15, 2011

Charles P. Valdes

Employee Member (elected by all members)
Retired Counsel,
Department of Transportation
Term Ends: January 15, 2010

¹ Governor appointee

² Appointed jointly by the Speaker of the Assembly and the Senate Rules Committee

Executive Staff

Anne Stausboll

Chief Executive Officer

(Ken Marzion, Interim, through January 2009)

Stephen W. Kessler

Deputy Executive Officer,

Operations

(Gloria Moore Andrews through December 2008)

Kathleen Hamilton

Deputy Executive Officer,

Benefits Administration

(Jarvio A. Grevious through November 2008)

Teri Bennett

Assistant Executive Officer,

Information Technology Services

Joseph Dear

Chief Investment Officer

(Anne Stausboll, Interim, through January 2009)

Robert David

Assistant Executive Officer,

Health Benefits

(Gregory Franklin through September 2009)

Sheri Hofer

Privacy and Security Officer,

Enterprise Privacy & Security Office

Larry Jensen

Assistant Executive Officer (Interim),

Administrative Services

(John Hiber through May 2009)

Donna Lum

Assistant Executive Officer,

Member & Benefit Services

(Kathie Vaughn through December 2008)

Patricia K. Macht

Director,

External Affairs

(Assistant Executive Officer, Office of Public Affairs, through July 2009)

Ken Marzion

Chief Operating Investment Officer (Interim),

Investment Operations

(Anne Stausboll through January 2009)

Peter H. Mixon

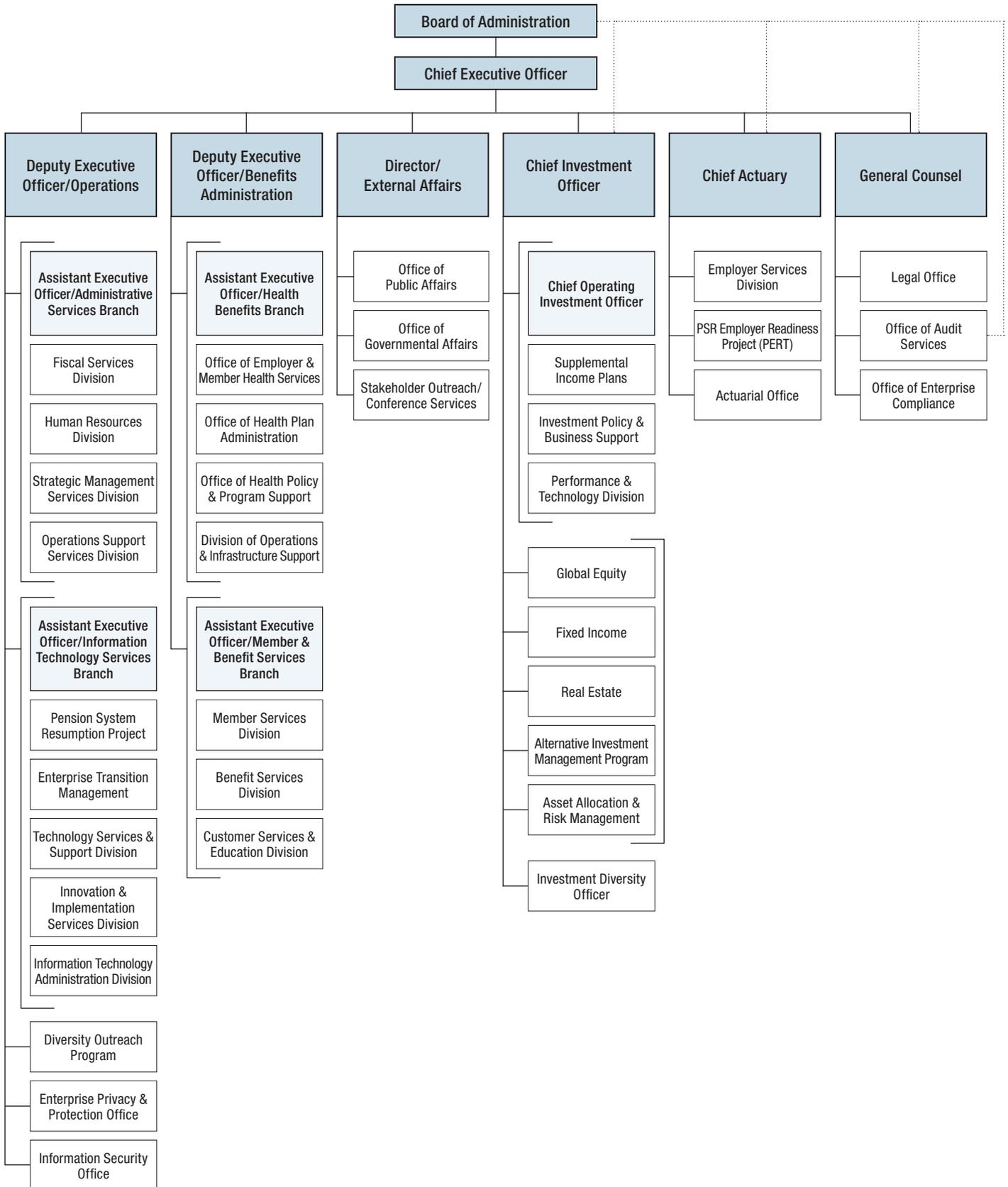
General Counsel

Ron Seeling

Chief Actuary,

Actuarial & Employer Services

Organizational Chart



Consultant & Professional Services

Individual or Firm
Aastra USA, Inc.
Accenture, LLP
Adcom Media
ADSI, Inc.
Advanced Systems Group, LLC
Alom Technologies Corporation
Altshuler Berzon, LLP
Altura Capital Group, LLC
Ambire Consulting, Inc.
ATV Video Center, Inc.
Ballard Group, The
Base 3 Consulting
Bedrosian & Associates
Berman Devalerio Pease Tabacco Burt & Pucillo
Berwyn Group, The
Blackstone Technology Group
Bongo Post & Music
Brandlogic Corporation
Buck Consultants, LLC
Business Advantage Consulting
California Department of Health Services
California Department of Justice
California Franchise Tax Board
California Highway Patrol
California Secretary Of State
California State Compensation Insurance Fund
California State Controller's Office
California State Personnel
California State Personnel Board
California State Teachers' Retirement System
California State Treasurer's Office
Celer Systems, Inc.
Chapman and Cutler, LLP
Chisoft Consultant Services, LLC
Christensen, Miller, Fink, Jacobs, Glaser, Weil & Shapiro, LLP
Christina Marks, CPht
Class Act Alliance, Inc.
Cloverleaf Solutions
Coach Source
Comsys
Conference Plus
Consortium of Business Continuity Professionals, Inc.
Cooperative Personnel Services
Covington & Burling
Cox, Castle & Nicholson, LLP
CSUS, College of Continuing Education
Davis Wright Tremaine, LLP
Dee Hansford Consulting
Delegata
DLS Enterprises, LLC
DLT Solutions
Dolamont Consulting, Inc.
Douglas W. Dixon and Associates
DSS Research, Inc.

Individual or Firm
Eagle Management Group
Eaton Interpreting Services
EFI Actuaries
Eclipse Corporation
Ennis, Knupp & Associates
Entisys Solutions, Inc.
Equanim Technologies
Ergonomics & Injury Prevention Services
Evergreen Systems, Inc.
Evolve Technology Group
Expressworks International, Inc.
Felderstein, Willoughby & Pascuzzi, LLP
Fiderion Financial Services Group, LLC
Financial Finesse
Fitch Training
Forrester Research, Inc.
Foster, Pepper & Shefelman, PLLC
Gabriel, Roeder, Smith Co.
Girard Gibbs, LLP
Global Access, LLC
Gordon Hewitt Consultancy
Grant Thornton, LLP
H & R Interpreting Associates
Hamilton Lane Advisors, LLC
Hawkins Delafied & Wood, LLP
Heidricks & Struggles
Hewlett-Packard
Highlands Consulting Group
Human Factors International, Inc.
Independent Fiduciary Services
Information Technology Software Professionals
Informatix, Inc.
Innovative Software Technologies, Inc.
Insight Technologies, Inc.
Interaction Associates
International Foundation for Retirement Education (InFRE)
International Network Services
Intraform
Intuit Real Estate Solutions
Investor Responsibility Support Services, Inc.
Iron Mountain Fulfillment Services, Inc.
Ivy Planning Group, LLC
Jam Media, LLC
Jannice Salas Tan
Jeffrey F. Moy
Jlynnconsulting, Inc.
Kaleidoscope Group, LLC
Kearnford Application Systems Design
Kiefer Consulting, Inc.
Kirkpatrick and Lockhart Preston Gates Ellis, LLP
Kleinfelder, Inc.
Kong Consulting, Inc.
Korn/Ferry
KPC Legal Audit Services, Inc.

Consultant & Professional Services (continued)

Individual or Firm
KPMG, LLP
Lan Do & Associates, LLC
Legislative Intent Service
Liberty Consulting Team
Lincoln Crow, LLC
Logic House Ltd.
Los Rios Community College
Lussier, Vienna, Gregor & Associates
Macias & Gini O'Connell, LLP
Manatt, Phelps, & Phillips, LLP
Maximus/Center for Health Dispute Resolution
McDonough, Holland & Allen
Medstat Group
Mercer Health and Benefits
Method
Michael Strategic Analysis
Mindstorm
Moore Wallace Business Communications Services
Morgan, Lewis & Bockius, LLP
Mosaic Investment Advisors, Inc.
Mukai & Kussin, LLP
Mullan, Randall P.
Murphy Austin Adams Schoenfeld, LLP
National Data Services
Natoma Technologies
Nexlevel Information Technology, Inc.
Niki Frederick Design
North Highland Company
Office Workouts
Ogilvy Public Relations
Online Video Service, Inc.
Pacific Business Group on Health
Pacific Satellite Connection, Inc.
Page Design Group
Parent – PAOF Pool Contracts
Parent Invt. Diversity Consultant Pool
Parent Invt./HRD Executive Search – SPRPool
Parent OFAS, RE Investment Audits Services
Parent PAOF/Communications Support Services
Parent PAOF/Graphic Design
Parent SMSD
Parent Video Production Pool – PAOF
Paul, Hastings, Janofsky, Walker, LLP
PC Techs
Performance Technology Partners, LLC
Peters Shorthand Reporting Corporation
Pillsbury Winthrop Shaw Pittman, LLP
Pitney Bowes
PM/CM Services, Inc.
Princeton Solutions Group, Inc.
Prism
Propoint Technology, Inc.

Individual or Firm
Prosci, Inc.
Public Sector Consultants, Inc.
Pyramid Technical Consultants, LLC
R. W. Davis & Co., Inc. DBA, RWD – Executive Search
Reed Smith, LLP
RG & Associates
Ridgeway Partners, LLC
Robert Half International, Inc.
Roberta Almeida
Ropes & Gray, LLP
Runyon, Saltzman & Einhorn, Inc.
Russbo, Inc.
Saba Software, Inc.
Saber Consulting, Inc.
Sapphire Technologies, Inc.
Segula Technologies
Seisint, Inc. dba Lexis Nexis Risk Management, Inc.
Senn-Delaney Leadership
Setka, Inc.
Sextant Search Partners
Shooting Star Solutions, LLC
Siemens Communications, Inc.
Sign Language Interpreting Service Agency
Softsol Resources, Inc.
Softsol Technologies, Inc.
SOL Design Group
Spherion Pacific Enterprises, LLC
Sri Infotech, Inc.
Staff Tech, Inc.
Stanfield Systems, Inc.
Stealth Network Communication
Steptoe & Johnson, LLP
Suzanne Stone Freelance Services
Take 1 Productions
The Robert Toigo Foundation
Thomson Reuters
TMD Group, Inc.
Torys, LLP
Trinity Technology Group, Inc.
Two Shea Consulting, Inc.
Vantage Consulting Group, Inc.
Viaspire
Visionary Integration, LLC (VIP)
Wallrich Landi Integrated Marketing Communications
Watson Wyatt Worldwide
Weintraub Genshlea Chediak Sproul
Western Blue
Wiley Price & Radulovich, LLP
Wolcott & Associates, Inc.
Wright On-Line Systems
Zyncor Consulting

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Independent Auditor's Report



Sacramento
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To the Board of Administration
California Public Employees' Retirement System
Sacramento, California

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statement of fiduciary net assets of the fiduciary funds and the statement of net assets of the proprietary funds of the California Public Employees' Retirement System (the System or CalPERS), a component unit of the State of California, as of June 30, 2009, and the related statement of changes in fiduciary net assets of the fiduciary funds, and the statements of revenues, expenses and changes in net assets and cash flows of the proprietary funds for the year then ended. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the System's 2008 financial statements on which our report dated November 20, 2008, expressed an unqualified opinion.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net assets of the fiduciary funds and the net assets of proprietary funds of the California Public Employees' Retirement System as of June 30, 2009, and the changes in fiduciary net assets of the fiduciary funds and the changes in net assets and cash flows of the proprietary funds for the year then ended in conformity with the accounting principles generally accepted in the United States of America.

As discussed in Note 5, actuarial data presented for the California Employers' Retirement Benefit Trust Fund was derived from actuarial valuations performed by actuarial firms engaged by participating employers. Actuarial valuations must comply with the CalPERS OPEB Assumption Model, which requires the use of specified actuarial methods and assumptions.

As also discussed in Note 5 to the financial statements, actual contributions made by the State of California to the Judges Retirement Fund were significantly less than the actuarially determined annual required contribution. State of California contributions were used to fund benefit payments of the current period. As such, the Judges Retirement Fund does not retain the accumulated contributions of active members. Management and legal counsel believe the State of California is legally required to provide contributions to fund benefits when due.

The California Employers' Long-Term Care Fund's net assets deficit totaled approximately \$811.6 million. As discussed in Note 9, the determination of the estimated liability for future policy benefits is very sensitive to the underlying actuarial assumptions.

As described in Note 10, based on the most recent actuarial valuation of the Public Employees' Retirement Fund as of June 30, 2008, the System's actuaries determined that, at June 30, 2008, the actuarial accrued obligation exceeded the actuarial value of its assets by \$35.1 billion. The most recent actuarial valuation does not reflect significant fiscal year 2009 investment losses.

The Management's Discussion and Analysis on pages 16 through 32, the Schedules of Funding Progress and the Schedules of Employer Contributions on pages 64 through 65 are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The supporting schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Maciel Gini & O'Connell LLP

Certified Public Accountants

Sacramento, California

November 19, 2009

Management's Discussion & Analysis

INTRODUCTION

This section presents Management's Discussion and Analysis of the California Public Employees' Retirement System (CalPERS or the System) financial performance during the fiscal year ended June 30, 2009. It is a narrative overview and analysis that we present in conjunction with the Chief Executive Officer's Letter of Transmittal, included in the Introductory Section of this Comprehensive Annual Financial Report. It should also be read in conjunction with the basic financial statements of CalPERS, as presented in this report.

In addition to historical information, the Management's Discussion and Analysis includes certain forward-looking statements which involve certain risks and uncertainties. CalPERS actual results, performance, and achievements may differ materially from the results, performance, and achievements expressed or implied in such forward-looking statements, due to a wide range of factors, including changes in interest rates, changes in the securities markets, general economic conditions, and legislative changes, as well as other factors.

CalPERS is primarily responsible for administering retirement benefits, health benefits, and supplemental retirement savings plans. CalPERS comprises a total of 15 funds, including four defined benefit pension funds, one other post-employment benefit fund, three defined contribution pension funds, four proprietary funds, and three agency funds. The Public Employees' Retirement Fund (PERF) is the primary fund administered by CalPERS.

FINANCIAL HIGHLIGHTS

Public Employees' Retirement Fund (PERF)

- The net assets of the PERF decreased by \$59.0 billion, or 24.8 percent. The decrease was primarily due to the negative global equity market returns. CalPERS, as a long-term investor, must view investment performance across a multi-year horizon.
- The PERF net rate of return on investments was negative 24.0 percent on a fair value basis, approximately 31.8 percentage points less than the actuarially assumed 7.75 percent investment return.
- Through CalPERS 15 year smoothing of investment returns, previous positive returns will cushion the impact of the 2008-09 fiscal year investment losses on employer contribution rates. However, employer contribution rates established for the 2008-09 fiscal year do not include

investment losses incurred in the 2008-09 fiscal year. As of June 30, 2007, the asset smoothing method set aside about 14 percent of the CalPERS fund as a "rainy day" fund. The negative 5.1 percent return for fiscal year 2007-08 used up about 13 percent of the 14 percent "rainy day" fund, leaving about 1 percent. On June 15, 2009, the CalPERS Board of Administration adopted a modification to the rate smoothing policy. This new policy will phase in the short term impact of the 2008-09 investment loss over three fiscal years, beginning in the 2010-11 fiscal year for State and Schools and in the 2011-12 fiscal year for Public Agencies.

An important aspect of this proposed change in the smoothing method is that it would prevent employer rates from increasing dramatically in subsequent fiscal years were the investment markets to rebound in fiscal year 2009-10 or 2010-11. To the extent CalPERS earns its assumed 7.75 percent investment return in the next two years, the employer rates will increase to levels one might see under the current methods but two years later. It is important to note that unless the investment markets recover, delaying increases in contribution rates only means that more money will have to be collected in the future.

- As of June 30, 2008, the date of the most recent actuarial valuation, the PERF was funded at 86.9 percent, based on the actuarial value of assets. A better measure of benefit security is the funded status on a market value of assets basis. On that basis, as a result of the negative 5.1 percent investment return in 2007-08, the funded status declined from 101.2 percent at June 30, 2007, to 88.7 percent at June 30, 2008. Additionally, as a result of investment losses incurred in the 2008-09 fiscal year, it is likely that the funded status will decline into the 60 percent range.
- The PERF paid \$11.8 billion in retirement benefits to 484,955 annuitants during the 2008-09 fiscal year, compared to \$10.9 billion paid to 468,898 annuitants during the 2007-08 fiscal year. Benefit payments increased primarily due to an increase in the number of retirees and the average benefit amount, including cost-of-living adjustments (COLA).
- The total active and inactive membership was 1,134,397 at June 30, 2009. The PERF received \$3.9 billion in employee contributions from 821,113 active members and

\$6.9 billion in employer contributions from 1,569 employers during the 2008-09 fiscal year, compared with \$3.5 billion and \$7.2 billion in employee and employer contributions respectively, in fiscal year 2007-08.

- The Federal Reserve created the Term Asset-Backed Securities Loan Facility (TALF), to help market participants meet the credit needs of households and small businesses by supporting the issuance of asset-backed securities (ABS) collateralized by auto loans, student loans, credit card loans, equipment loans, floorplan loans, insurance premium finance loans, loans guaranteed by the Small Business Administration, residential mortgage servicing advances or commercial mortgage loans.

CalPERS participated in two auctions of the Federal Reserve (the Fed) TALF program. Total investments purchased were \$5.8 billion using \$5.4 billion borrowed from the Fed and CalPERS contributing cash of \$0.4 billion.

The \$5.8 billion of assets is being reported as fixed income investments at estimated fair value and the \$5.4 billion is being reported as Loans Payable – TALF on the statement of fiduciary net assets.

Additional financial information related to the other pension funds administered by CalPERS is included in the Financial Analysis of CalPERS Funds section of the Management's Discussion and Analysis.

Health, Other Post-Employment Benefits & Long-Term Care Programs

- CalPERS administers the PERSCare, PERS Choice, and PERS Select self-funded health care programs. Financial activity for these programs is accounted for through the Public Employees' System Health Care Fund. The CalPERS self-funded health care program earned \$39.8 million from operations, and unrestricted net assets increased by \$61.6 million to \$660.2 million. This increase can be attributed to an increase in self-insurance premiums and continuing strong rebates from the pharmacy contract.
- Contributions to the California Employers' Retiree Benefit Trust Fund (CERBTF) were \$595.6 million, with investment losses of \$143.8 million. The net asset value of the CERBTF at June 30, 2009 was \$848.9 million.

- The unrestricted net assets of the CalPERS Long-Term Care Program amounted to a deficit of \$811.6 million at June 30, 2009. This amounts to an average deficit of \$4,918 for each of the 165,023 enrollees. The Long-Term Care Program collected \$296.5 million in premiums, and the approximate average annual premium per person was \$1,797. The deficit of \$811.6 million is an increase of \$676.9 million from the deficit of \$134.7 million of June 30, 2008. The primary reasons for the increase in fund deficit were due to the increase in investment losses and the increase in estimated liability.

Investments

During the 2008-09 fiscal year, the PERF net assets fell from a high of \$239.5 billion to a low of \$164.9 billion but rebounded to end the year at \$178.9 billion. The drop in assets was largely felt by our global equity investments which started the fiscal year with \$122.4 billion in assets and hit a low of \$58.4 billion. The 34.4 percent decrease in global equity investments was due to stress on the global financial market which dropped 51.4 percent during the period of July 1, 2008 to March 9, 2009. The U.S. and global market stress came from the failure of major banks, failure of large investment firms, investors selling securities for cash and uncertainty in the global financial markets. However, the markets rebounded as a result of a coordinated global stimulus provided by governments. This rebound is reflected by our global equity investments increasing in value by \$20.6 billion from February 28, 2009 to June 30, 2009.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis provides an introduction to and overview of the CalPERS basic financial statements, which comprise the following components: Fund Financial Statements, Notes to the Basic Financial Statements, Required Supplementary Information, and Other Supplementary Schedules. Collectively, this information presents the combined net assets held in trust for pension benefits, other post-employment benefits, and the combined unrestricted net assets for each of the other funds administered by CalPERS as of June 30, 2009. It also summarizes the combined changes in net assets held in trust for pension and other post-employment benefits, the combined

changes in unrestricted net assets, and the cash flows of the proprietary funds for the year then ended, along with an actuarial view on the funding status of the defined benefit pension and other post-employment plans. The information available in each of these sections is briefly summarized as follows.

Fund Financial Statements

At June 30, 2009, financial statements are presented for the two types of funds administered by CalPERS: fiduciary funds, where CalPERS acts in a fiduciary capacity as a trustee or agent for others and is responsible for handling the assets placed under its control; and proprietary funds, where fees are charged for services provided and the focus is on determining financial position, operating and non-operating income, cash flows and changes in net assets.

Fiduciary Funds — include pension trust funds, one other post-employment defined benefit fund, and agency funds. The defined benefit plans administered by CalPERS include the PERF, LRF, JRF, JRF II, and the CERBTF. The defined contribution plans administered by CalPERS include the State Peace Officers' and Firefighters' Defined Contribution Plan Fund (SPOFF), the Public Agency Deferred Compensation Program (IRC 457), and the Supplemental Contributions Program Fund (SCPF). The remaining fiduciary funds are the Old Age & Survivors' Insurance Revolving Fund (OASI), the Contingency Reserve Agency Fund (CRF), and the Replacement Benefit Fund (RBF). The fiduciary funds are used to account for resources held for the benefit of CalPERS participants. A statement of fiduciary net assets and a statement of changes in fiduciary net assets are presented for the fiduciary funds as of and for the year ended June 30, 2009, along with comparative total information as of and for the year ended June 30, 2008. These financial statements reflect the resources available to pay benefits to retirees and other beneficiaries as of year end, as well as the changes in those resources during the year.

Proprietary Funds — include the following enterprise funds: the Public Employees' Health Care Fund (HCF), the Public Employees' Contingency Reserve Fund (CRF), the Public Employees' Long-Term Care Fund (LTCF), and the Public Employees' Deferred Compensation Fund (DCF). Proprietary funds are used to account for

CalPERS business-type activities, where fees are charged to cover the costs of certain services, including long-term care, health care, and other benefits. A statement of net assets, a statement of revenues, expenses, and changes in fund net assets, and a statement of cash flows are presented for the proprietary funds as of June 30, 2009, and for the year then ended, along with comparative total information as of and for the year ended June 30, 2008. These financial statements reflect the net assets, changes in net assets, and cash flows resulting from CalPERS business-type activities.

Notes to the Basic Financial Statements

The Notes to the Basic Financial Statements (which begin on page 41) provide additional information that is essential to a full understanding of the information provided in the fund financial statements. Information available in the notes to the financial statements is described below.

Note 1 — provides a general description of CalPERS, as well as a concise description of each of the funds administered by CalPERS. Information regarding employer and member participation in the pension plans administered by CalPERS is also provided.

Note 2 — provides a summary of significant accounting policies, including the basis of accounting for each of the fund types: investment accounting policies, management's use of estimates, and other significant accounting policies.

Note 3 — provides information on cash and cash equivalents.

Note 4 — describes investments, including investing authority, investment risk categorizations, and additional information about cash, securities lending, and derivatives.

Note 5 — provides information about employer contributions to the pension and other post-employment benefit funds administered by CalPERS.

Note 6 — provides information on commitments.

Note 7 — provides information on potential contingencies of CalPERS.

Note 8 — provides detailed information on the estimated claims liability of the HCF.

Note 9 — provides information regarding the LTCF June 30, 2009 actuarial valuation.

Note 10 — provides information regarding the funded status and actuarial assumptions for the PERF, LRF, JRF, JRF II, and CERBTF.

Required Supplementary Information

Because of the long-term nature of a public defined benefit pension plan and other post-employment benefit plans, financial statements for the past year alone cannot provide sufficient information to properly reflect the funded position of the plans. Therefore, in addition to the basic financial statements, two required schedules of historical trend information related to the defined benefit and other post-employment benefit plans are presented as part of the Required Supplementary Information (RSI) section of the basic financial statements. These two schedules are the Required Supplemental Schedule of Funding Progress and the Required Supplemental Schedule of Employer Contributions. These two schedules are based on the actuarial valuations for the pension plans performed by CalPERS actuaries and the other post-employment benefits sponsoring employer actuaries, and provide additional actuarial information that contributes to the understanding of the changes in the actuarial funding and the funded status of these defined benefit and other post-employment benefit plans over the past six years. The actuarial information is based upon assumptions made about future events at the time the valuations were performed, and, therefore, the amounts presented are management's estimates. Also included as part of the RSI is the Required Supplemental Schedule of Claims Development Information for the HCF.

Other Supplementary Schedules

Other schedules include detailed information on administrative expenses incurred by CalPERS-administered funds, as well as investment and other professional services expenses incurred, and schedules of changes for agency funds.

FINANCIAL OVERVIEW OF CalPERS FUNDS

Fiduciary Funds

Collectively, the net assets held in trust for all fiduciary funds were a total of \$181.2 billion at June 30, 2009, a decrease of \$58.9 billion (24.5 percent) from \$240.1 billion at June 30, 2008 (see *Statement of Fiduciary Net Assets* on pages 34-35).

Additions to net assets held in trust for benefits include employer and member contributions as well as investment income/loss. For the 2008-09 fiscal year, total additions were

negative \$46.0 billion, a decrease of \$45.3 billion from the 2007-08 fiscal year. Deductions consist primarily of retirement, death, and survivor benefits, refunds, administrative expenses, and participant withdrawals. For the 2008-09 fiscal year, total deductions were \$12.9 billion, an increase of \$1.0 billion (8.4 percent) from the 2007-08 fiscal year.

Investments

Fiduciary fund investments, excluding securities lending collateral, totaled \$186.0 billion at June 30, 2009, which was \$53.5 billion (22.3 percent) less than \$239.5 billion at June 30, 2008. The decrease was due primarily to negative global equity market returns.

Total investments held by CalPERS fiduciary funds at June 30, 2009, compared to the 2007-08 fiscal year end, are as follows:

- \$12.3 billion in short-term domestic and international securities, an increase of \$7.5 billion (156.3 percent) from \$4.8 billion. The increase was due primarily to asset transfers from other asset classes to short term accounts in order to meet liquidity needs.
- \$81.5 billion in domestic and international equity securities, a decrease of \$42.3 billion (34.2 percent) from \$123.7 billion. The decrease was due primarily to global down turn in the global equity markets.
- \$52.4 billion in domestic and international debt securities, a decrease of \$8.1 billion (13.4 percent) from \$60.5 billion. The decrease was due primarily to rising yields of debt securities on non-treasury bonds.
- \$4.4 billion in Inflation Linked Asset Class (ILAC), a decrease of \$0.3 billion (6.4 percent) from \$4.7 billion. The decrease was due primarily to investment losses in the commodities portfolio, partly offset by an increase in investments in the forest land portfolio. The ILAC allocation is as follows:
 - \$1.4 billion in inflation-linked bonds, a decrease of \$0.2 billion from \$1.6 billion.
 - \$0.1 billion in infrastructure, which was no change, from the \$0.1 billion at the 2008 fiscal year end.
 - \$2.3 billion in forestland, an increase of \$0.7 billion from \$1.6 billion.
 - \$0.6 billion in commodities, a decrease of \$0.8 billion from \$1.4 billion.
- \$30.2 billion in real estate on a gross basis. (The gross value equates to \$13.6 billion net of \$16.6 billion in

related debt.) On a gross basis, the real estate decreased \$10.8 billion from \$41.0 billion gross at fiscal year end 2008. The decrease was due primarily to declines in the commercial real estate market values.

- \$21.8 billion in alternative investments, a decrease of \$2.2 billion from \$24.0 billion.

Investment losses were primarily due to the overall economic slowdown and lagging global equity markets.

Proprietary Funds

CalPERS total unrestricted net assets for proprietary funds at June 30, 2009 were a negative \$132.0 million, a decrease of \$613.3 million (127.4 percent) from \$481.3 million at June 30, 2008 (see *Statement of Net Assets – Proprietary Funds* on page 38). The decrease was due primarily to an increase in the estimated liability for future policy benefits in the Long-Term Care Fund and investment losses.

Operating revenues consist of self insurance premiums, administrative fees, and investment management fees. For the 2008-09 fiscal year, total operating revenues were \$1.9 billion, an increase of \$0.1 billion (5.6 percent) from the 2007-08 fiscal year. Operating expenses consist primarily of claims expense, increase/decrease in estimated liabilities, and administrative expenses. For the 2008-09 fiscal year, total expenses were \$2.2 billion, an increase of \$1.3 billion (144.4 percent) from the 2008 fiscal year. The increase was due primarily to the increase in the estimated liability in the Long-Term Care Fund. Non-operating revenues (losses) consist of net appreciation (depreciation) in fair value of investments, interest, dividends and other investment income. Total non-operating losses were \$343.4 million, an increase in losses of \$313.3 million (1,037.3 percent) from the 2008 fiscal year due primarily to investment losses in the Long-Term Care Fund.

Investments

Proprietary funds investments totaled \$3.0 billion at June 30, 2009, which were \$0.1 billion (3.2 percent) less than \$3.1 billion at June 30, 2008.

Total investments held by CalPERS proprietary funds, compared to the 2007-08 fiscal year end, are as follows:

- \$502.2 million in highly liquid, short-term domestic securities, an increase of \$45.3 million from \$456.9 million.

- \$1.0 billion in domestic and international equity securities, a decrease of \$0.1 billion from \$1.1 billion.
- \$1.4 billion in domestic debt securities, a decrease of \$0.1 billion from \$1.5 billion.
- \$104.1 million in real estate, an increase of \$1.5 million from \$102.6 million.

FINANCIAL ANALYSIS OF CalPERS FUNDS

Public Employees' Retirement Fund (PERF)

Plan Net Assets

The PERF provides retirement benefits to State of California and other California public agency employees. PERF benefits are funded by member and employer contributions and by earnings on investments. The PERF net assets held in trust for benefits at June 30, 2009 were \$178.9 billion, a decrease of \$59.0 billion (24.8 percent) from \$237.9 billion at June 30, 2008.

Additions to PERF net assets held in trust for benefits include employer and member contributions, offset by investment losses. For the 2008-09 fiscal year employer and member contributions totaled \$10.8 billion, virtually no change from the 2007-08 fiscal year. The PERF recognized a net investment loss of \$57.4 billion for the 2009 fiscal year, compared with a net investment loss of \$12.5 billion for the 2008 fiscal year.

Deductions from PERF net assets held in trust for benefits in the 2008-09 fiscal year totaled \$12.4 billion, an increase of \$0.9 billion (7.8 percent) from the 2008 fiscal year. The increase in benefit payments was primarily a result of an increase in the number of beneficiaries from 468,898 to 484,955 and increases in average benefits. The costs of administering the PERF benefits amounted to \$427.8 million, an increase of approximately \$25.4 million (6.3 percent) from the 2008 fiscal year due to the continuation of information technology projects.

On a per member and beneficiary basis, the cost of administering PERF benefits during the 2008-09 fiscal year was approximately \$264 per individual, an increase of approximately \$12 per individual from the 2007-08 fiscal year.

At June 30, 2008, the date of the most recent actuarial valuation, the funded status of the PERF was 86.9 percent, which was a 0.3 percentage point decline from the funded status at June 30, 2007. The amount by which PERF

Management's Discussion & Analysis (continued)

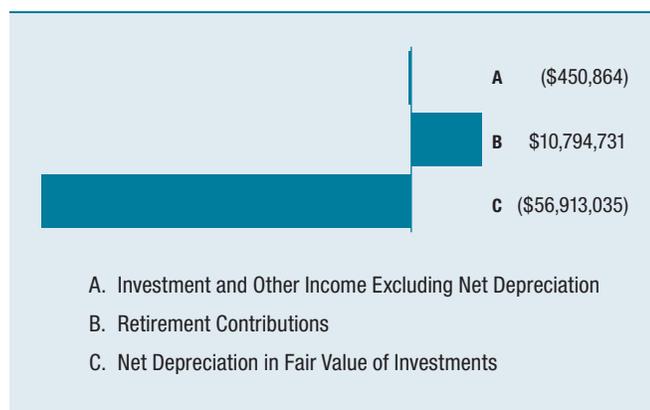
Net Assets – PERF (Dollars in Thousands)

	2009	2008	Total Percentage Change
ASSETS			
Cash, Cash Equivalents & Total Receivables	\$3,891,020	\$3,961,007	(1.8%)
Investments	183,543,809	237,129,465	(22.6)
Securities Lending Collateral	24,347,602	35,177,731	(30.8)
Capital Assets & Other	434,038	389,962	11.3
Total Assets	\$212,216,469	\$276,658,165	(23.3%)
LIABILITIES			
Retirement Benefits in Process of Payment, Investment Settlement & Other	\$8,310,894	\$3,564,955	133.1%
Securities Lending Obligations	25,005,692	35,177,731	(28.9)
Total Liabilities	\$33,316,586	\$38,742,686	(14.0%)
TOTAL NET ASSETS	\$178,899,883	\$237,915,479	(24.8%)

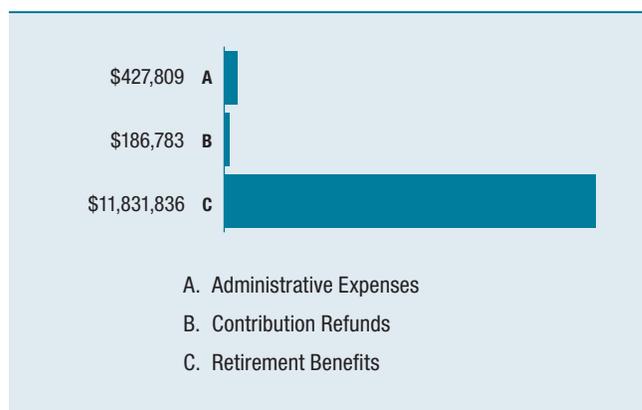
Changes in Net Assets – PERF (Dollars in Thousands)

	2009	2008	Total Percentage Change
ADDITIONS			
Member Contributions	\$3,882,355	\$3,512,075	10.5%
Employer Contributions	6,912,376	7,242,802	(4.6)
Investment (Losses) Income	(57,367,054)	(12,499,110)	(359.0)
Other	3,155	6,202	(49.1)
Total Additions	(\$46,569,168)	(\$1,738,031)	(2,579.4%)
DEDUCTIONS			
Retirement Benefits	\$11,831,836	\$10,884,417	8.7%
Refund of Contributions	186,783	182,415	2.4
Administrative Expenses	427,809	402,340	6.3
Total Deductions	\$12,446,428	\$11,469,172	8.5%
(DECREASE) INCREASE IN NET ASSETS	(\$59,015,596)	(\$13,207,203)	(346.8%)
NET ASSETS			
Beginning of Year	\$237,915,479	\$251,122,682	(5.3%)
End of Year	\$178,899,883	\$237,915,479	(24.8%)

Additions – PERF (Dollars in Thousands)



Deductions – PERF (Dollars in Thousands)



actuarial benefit liabilities exceeded actuarial assets was \$35.1 billion at June 30, 2008, compared with a \$31.7 billion funding deficit at June 30, 2007. This increase relates primarily to the recognition of actuarial losses from prior fiscal years when the PERF incurred negative investment returns. Current year losses will affect future years' funded status and contribution rates using the CalPERS policy of actuarial asset smoothing.

Investments

PERF investments, excluding securities lending collateral, totaled \$183.5 billion at June 30, 2009, which was \$53.6 billion (22.6 percent) less than the \$237.1 billion in total PERF investments at June 30, 2008.

At June 30, 2009, the PERF held \$80.2 billion in domestic and international equity securities, a decrease of \$42.2 billion from \$122.4 billion at fiscal year end 2008.

In domestic and international debt securities, the PERF held \$51.6 billion at June 30, 2009, a decrease of \$8.3 billion from \$59.9 billion at fiscal year end 2008.

In real estate investments on a gross basis, the PERF held \$30.1 billion at June 30, 2009. The gross value of real estate investments equates to \$13.5 billion in real estate value, net of \$16.6 billion in real estate related debt. The real estate debt amounts to 55.1 percent of the total gross real estate fair value. On a gross basis, real estate investments decreased \$10.9 billion from the \$41.0 billion gross real estate investments at the 2007-08 fiscal year end.

In addition, the Investment Policy for Equity Real Estate Leverage provides for the use of Credit Accommodations. These accommodations generally refer to a guarantee executed by CalPERS, whereby CalPERS agrees to pay the debt obligation of a real estate partnership entity in the event the entity fails to pay the debt obligation.

Real estate investments are classified as investments in accordance with GASB Statement 25. Certain real estate investments are leveraged whereby partnerships have been established to purchase properties through a combination of contributions from CalPERS and other investors and through the acquisition of debt.

The \$16.6 billion in real estate debt is made up of \$13.2 billion in long-term mortgages payable and \$3.4 billion in other short-term liabilities.

For the Alternative Investments Management (AIM) program, CalPERS has private equity unfunded commitments of \$22.7 billion that are not displayed on the Statement of Fiduciary Net Assets. In addition, CalPERS has real estate unfunded commitments of \$10.0 billion that are not displayed on the Statement of Fiduciary Net Assets.

At June 30, 2009, the Inflation Linked Asset Class (ILAC) held \$1.4 billion in inflation-linked bonds, \$0.1 billion in infrastructure, \$2.3 billion in forestland, and \$0.6 billion in commodities exposure.

In alternative investments, the PERF held \$21.8 billion at June 30, 2009, a decrease of \$2.2 billion from \$24.0 billion at the 2008 fiscal year end.

In short-term investments, the PERF held \$12.0 billion at June 30, 2009, an increase of \$7.7 billion from the \$4.3 billion at the 2008 fiscal year end.

The PERF earned other investment income of \$120.0 million for the 2008-09 fiscal year. Included in other investment income was income earned from securities litigation, sale of fractional shares, and other miscellaneous income.

The PERF earns additional investment income by lending investment securities. Borrowers pay a fee for the right to borrow securities, and then provide collateral to the PERF for 102 percent to 105 percent of the values of the securities borrowed. The over collateralization ensures the PERF is made whole in the event the borrower fails to return the security. The PERF pays the borrower a rate for holding collateral, called a rebate. The PERF invests the cash collateral in short-term, high credit quality fixed income securities. For the 2008-09 fiscal year, the total loss amounted to \$942.0 million, compared to the \$158.5 million in net securities lending losses during the 2007-08 fiscal year. The total loss in fiscal year 2008-09 includes unrealized loss of \$658.0 million which represents the difference between cash collateral received and the fair value of reinvested collateral. The securities lending industry has been adversely affected by the financial turmoil over the past 18 months. In particular, the underlying investment of the reinvested cash collateral experienced significant pressures caused by unprecedented market illiquidity. This crisis, which started in the sub-prime market, moved quickly into all other

Management's Discussion & Analysis (continued)

areas of the market. Pricing has been adversely affected for even the highest quality collateral, resulting in the fair value decline in the reinvested cash collateral balance.

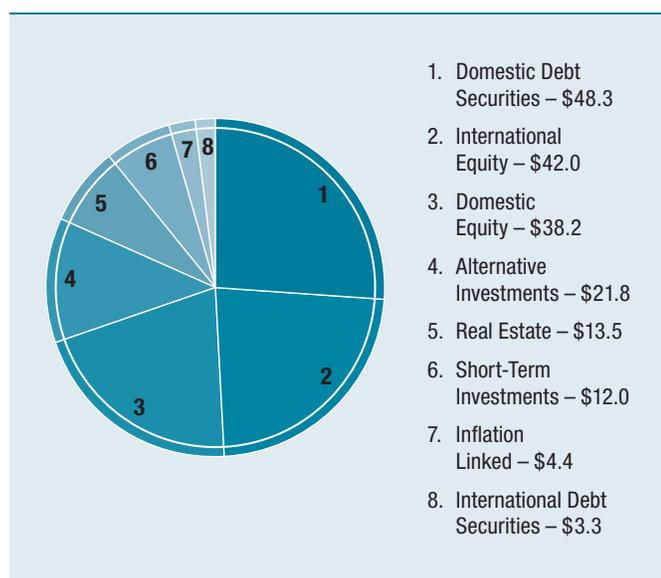
CalPERS participates in Directed Brokerage/Commission Recapture arrangements. The CalPERS Directed Brokerage Program had a balance of \$2.4 million at July 1, 2008. For fiscal year 2008-09, brokerage commissions that were rebated totaled \$1.7 million. Expenses in the amount of \$2.0 million were incurred to purchase analytical tools, advisory and other research materials.

The Directed Brokerage Program had a balance of approximately \$2.1 million at June 30, 2009. These amounts are recorded in the accompanying financial statements as of June 30, 2009.

CalPERS participates in asset-based lending, in which secured debt is loaned to non-investment grade borrowers, primarily for working capital, acquisitions, turnarounds, growth financing, debtor-in-possession financing, exit financing, and corporate recapitalization/reorganizations. In exchange for these loan amounts, CalPERS receives interest and fees from the borrowers. Interest and fee income earned was \$19.4 million for the 2008-09 fiscal year, and outstanding commitments totaled \$93.3 million at June 30, 2009.

Investment Portfolio – PERF at Market Value

(Dollars in Billions)



Note: Excludes \$24.3 billion in securities lending collateral.

Investments – PERF (Dollars in Billions)

Investment Class	Amount	Percent of Investments
Short-Term Investments	\$12.0	6.5%
Domestic Equity	38.2	20.8
International Equity	42.0	22.9
Domestic Debt Securities	48.3	26.3
International Debt Securities	3.3	1.8
Inflation Linked	4.4	2.4
Real Estate	13.5	7.4
Alternative Investments	21.8	11.9
TOTAL	\$183.5	100.0%

OTHER DEFINED BENEFIT PENSION PLANS

Legislators' Retirement Fund (LRF)

Plan Net Assets

The LRF provides retirement benefits to California Legislators elected to office before November 7, 1990, and to all Constitutional and Statutory Officers. The number of LRF members is declining as eligible incumbent Legislators leave office and are replaced by those ineligible to participate in the LRF.

The LRF net assets held in trust for benefits at June 30, 2009 totaled \$111.8 million, a decrease of \$22.3 million (16.6 percent) from June 30, 2008.

Additions to LRF net assets held in trust for benefits were from investment income and contributions to repurchase military and prior year service credit. There were no actuarially determined annual required employer and member contributions for 2009. Net investment losses were \$14.0 million in the 2008-09 fiscal year compared to net investment income of \$0.2 million for the 2007-08 fiscal year.

Deductions from LRF net assets held in trust for benefits are primarily composed of retirement, death, and survivor benefits. For the 2009 fiscal year, these benefits increased \$0.1 million (1.3 percent) to \$7.7 million from \$7.6 million in 2008. On a per member and beneficiary basis, the cost of administering LRF benefits during the 2008-09 fiscal year was approximately \$1,201 per individual, a decrease of approximately \$111 per individual from the 2007-08 fiscal year.

Management's Discussion & Analysis (continued)

An actuarial valuation of LRF assets and benefit obligations is performed annually using the aggregate cost method, which does not identify unfunded actuarial liabilities. However, the plan has been superfunded (actuarial value of assets have been greater than the present value of benefits) since June 30, 1997. Neither employer nor employee contributions have been necessary since July 1, 1998. In February 2000, the Board of Administration moved to set the member contribution rate of this system to 0 percent on an annual basis according to the superfunded status of this system. Member contributions have not been required since July 1, 2000.

Investments

The LRF invests mainly in domestic and international equity securities, as well as domestic debt securities. Total investments were \$114.1 million at June 30, 2009, which was \$19.9 million (14.8 percent) less than the \$134.0 million in total LRF investments at June 30, 2008.

At June 30, 2009, the LRF held \$43.0 million in domestic and international equity securities, a decrease of \$8.2 million from \$51.2 million at fiscal year end 2008.

The LRF held \$71.1 million in domestic debt securities, a decrease of \$11.7 million from \$82.8 million at fiscal year end 2008.

Investments – LRF (Dollars in Millions)

Investment Class	Amount	Percent of Investments
Domestic Equity	\$32.2	28.2%
International Equity	10.8	9.5
Domestic Debt Securities	71.1	62.3
TOTAL	\$114.1	100.0%

Judges' Retirement Fund (JRF)

Plan Net Assets

The JRF provides retirement benefits to California Supreme and Appellate Court Justices and Superior Court Judges. The JRF net assets held in trust for benefits at June 30, 2009,

totalled \$46.4 million, an increase of \$27.2 million from June 30, 2008.

Additions to JRF net assets held in trust for benefits include employer and member contributions, investment income, and State "Balancing Contributions" (see *Notes to the Basic Financial Statements*, page 58). For the 2008-09 fiscal year, employer, member, and State "Balancing Contributions" increased \$26.3 million (15.2 percent) to \$199.1 million, from \$172.8 million for the 2007-08 fiscal year, primarily due to increased State contributions. The State "Balancing Contributions" increased \$28.5 million (19.0 percent) to \$178.8 million for the 2009 fiscal year, compared to \$150.3 million for the 2008 fiscal year. The increase in State "Balancing Contributions" was due to a decrease in member contributions and the need to fund the benefits for an increasing retiree population. The number of retirees increased from 1,735 in the 2007-08 fiscal year to 1,789 in the 2008-09 fiscal year.

Deductions from JRF net assets held in trust for benefits are primarily composed of retirement, death, and survivor benefits. For the 2009 fiscal year, these benefits amounted to \$174.9 million, an increase of \$6.6 million (3.9 percent) from the 2008 fiscal year. The increase in benefit payments was mainly a result of a COLA and an increase in the number of retirees and beneficiaries to 1,789 in the 2008-09 fiscal year from 1,735 in the 2007-08 fiscal year.

On a per member and beneficiary basis, the cost of administering JRF benefits during 2008-09 was approximately \$435 per individual, an increase of approximately \$33 per individual from fiscal year 2007-08. The increase is due primarily to a declining membership in the 2008-09 fiscal year.

The JRF is funded on a "pay-as-you-go" basis, where short-term investments, contributions received during the year, and a State General Fund augmentation are used to provide funding for benefit payments. This funding method is generally more expensive in the long term, as the fund does not have investment returns generated by a funded plan. Without the State General Fund augmentation, the JRF will not be able to pay the accumulated benefit payments due in 2010.

Management's Discussion & Analysis (continued)

Net Assets – Other Defined Benefit Pension Plan Funds (Dollars in Thousands)

	LRF		JRF		JRF II	
	2009	2008	2009	2008	2009	2008
ASSETS						
Cash, Cash Equivalents & Receivables	\$908	\$799	\$2,384	\$3,095	\$5,417	\$4,817
Investments	114,137	134,029	44,276	17,137	314,788	321,074
Total Assets	\$115,045	\$134,828	\$46,660	\$20,232	\$320,205	\$325,891
Total Liabilities	\$3,258	\$709	\$274	\$986	\$4,688	\$469
TOTAL NET ASSETS	\$111,787	\$134,119	\$46,386	\$19,246	\$315,517	\$325,422

Changes in Net Assets – Other Defined Benefit Pension Plan Funds (Dollars in Thousands)

	LRF		JRF		JRF II	
	2009	2008	2009	2008	2009	2008
ADDITIONS						
Member Contributions	\$69	\$14	\$8,597	\$9,569	\$15,400	\$13,808
Employer Contributions	—	—	190,510	163,206	39,514	36,761
Investment Income (Losses)	(14,041)	223	410	384	(59,927)	(12,184)
Other Income	—	—	3,574	3,827	—	—
Total Additions	(\$13,972)	\$237	\$203,091	\$176,986	(\$5,013)	\$38,385
DEDUCTIONS						
Retirement Benefits	\$7,706	\$7,621	\$174,902	\$168,304	\$1,252	\$964
Refund of Contributions	296	309	—	136	3,062	2,134
Administrative Expenses	358	397	1,049	973	578	597
Total Deductions	\$8,360	\$8,327	\$175,951	\$169,413	\$4,892	\$3,695
INCREASE (DECREASE) IN NET ASSETS	(\$22,332)	(\$8,090)	\$27,140	\$7,573	(\$9,905)	\$34,690
NET ASSETS						
Beginning of Year	\$134,119	\$142,209	\$19,246	\$11,673	\$325,422	\$290,732
End of Year	\$111,787	\$134,119	\$46,386	\$19,246	\$315,517	\$325,422

Management's Discussion & Analysis (continued)

Investments

The JRF invests only in short-term securities. Total investments were \$44.3 million at June 30, 2009, which was \$27.2 million more than the \$17.1 million in total investments at June 30, 2008. The increase is due to a rise in benefit payments from a growing retired member population and the resulting necessity for a larger General Fund augmentation to cover benefit payments. The increase in the General Fund augmentation results in a higher cash flow and larger balance in short-term investments.

Judges' Retirement Fund II (JRF II)

Plan Net Assets

The JRF II provides retirement benefits to California Supreme and Appellate Court Justices, Superior Court Judges, and Municipal Court Judges first appointed or elected after November 9, 1994. Net assets held in trust for benefits at June 30, 2009 were \$315.5 million, a decrease of \$9.9 million (3.0 percent) from June 30, 2008.

Additions to JRF II net assets held in trust for benefits include employer and member contributions, as well as investment income. Contributions increased \$4.3 million (8.5 percent), to \$54.9 million for the 2009 fiscal year, from \$50.6 million for the 2007-08 fiscal year, primarily as a result of a 14.3 percent increase in active membership from 2008 to 2009. For the 2008-09 fiscal year, the fund incurred a net investment loss of \$59.9 million, an increase in investment losses of approximately \$47.7 million (391.8 percent) from the 2007-08 fiscal year net investment loss of \$12.2 million.

Deductions from JRF II net assets held in trust for benefits are primarily composed of retirement, death, survivor benefits, and refunds of contributions. For the 2009 fiscal year, non-refund benefits increased to \$1.3 million. However, contribution refunds increased \$1.0 million from \$2.1 million in the 2008 fiscal year to \$3.1 million in the 2009 fiscal year (47.6 percent), due to increasing numbers of judges placing their accumulated contributions with private investment companies.

On a per member and beneficiary basis, the cost of administering JRF II benefits during fiscal year 2008-09 was approximately \$510 per individual, a decrease of

approximately \$91 per individual from fiscal year 2007-08, due to increased membership and decreasing direct costs.

Investments – JRF II (Dollars in Millions)

Investment Class	Amount	Percent of Investments
Short-Term Investments	\$10.2	3.3%
Domestic Equity	100.2	31.8
International Equity	58.6	18.6
Domestic Debt Securities	116.2	36.9
Real Estate	29.6	9.4
TOTAL	\$314.8	100.0%

An actuarial valuation of the JRF II assets and benefit obligations is performed annually. At June 30, 2008, the date of the most recent actuarial valuation, the funded status increased to 91.4 percent from 90.7 percent at June 30, 2007. At June 30, 2008, the actuarial benefit obligations exceeded their actuarial assets by approximately \$31.6 million, while the amount by which the actuarial benefit obligations exceeded their actuarial assets at June 30, 2007, was approximately \$27.4 million.

Investments

The JRF II invests mainly in short-term investments, domestic and international equity securities, domestic debt securities, and real estate equities. Total investments amounted to \$314.8 million at June 30, 2009, which was \$6.3 million (2.0 percent) less than the \$321.0 million at June 30, 2008. The decrease was due primarily to negative global equity market returns as well as losses in the domestic and international security holdings.

At June 30, 2009, the JRF II held \$158.8 million in domestic and international equity securities, a decrease of \$3.7 million from \$162.5 million at fiscal year end 2008.

In domestic debt securities, the JRF II held \$116.2 million at June 30, 2009, a decrease of \$1.6 million from \$117.8 million at fiscal year end 2008.

In real estate investments, the JRF II held \$29.6 million at June 30, 2009, an increase of \$1.8 million (6.5 percent) from the \$27.8 million at the 2008 fiscal year end.

In short-term investments, the JRF II held \$10.2 million at June 30, 2009, a decrease of \$2.7 million from \$12.9 million at fiscal year end 2008.

DEFINED CONTRIBUTION PENSION PLANS

State Peace Officers' & Firefighters' Defined Contribution Plan Fund (SPOFF)

Plan Net Assets

The SPOFF provides supplemental retirement benefits to eligible safety employees. Net assets held in trust for pension benefits decreased by \$17.9 million (5.1 percent) to \$336.8 million at June 30, 2009, from \$354.7 million at June 30, 2008.

Contribution revenues were \$53.1 million for fiscal year 2009, an increase of 3.1 percent from fiscal year 2008. The increase was due to an increase in membership. Net investment losses were \$55.4 million for fiscal year 2009, representing an increase in investment losses of \$37.0 million from the losses of \$18.4 million for the 2008 fiscal year.

SPOFF benefit expenses were \$12.9 million for the 2009 fiscal year, an increase of \$1.3 million (11.2 percent) from the 2008 fiscal year, due primarily to the increase in the number of retired participants.

Investments

The SPOFF invests mainly in domestic equity securities. Total investments were \$332.1 million at June 30, 2009, which was \$16.8 million (4.8 percent) more than the \$348.9 million at June 30, 2008.

Investments – SPOFF (Dollars in Millions)

Investment Class	Amount	Percent of Investments
Short-Term Investments	\$41.1	12.4%
Domestic Equity	143.0	43.1
International Equity	59.2	17.8
Domestic Debt	77.4	23.3
Real Estate Equity	11.4	3.4
TOTAL	\$332.1	100.0%

Public Agency Deferred Compensation Plan (IRC 457)

Plan Net Assets

The CalPERS Board is trustee for public agency participant assets in the IRC 457 deferred compensation program. Net assets held in trust for pension benefits at June 30, 2009, were \$670.6 million, a decrease of \$41.4 million (5.8 percent), from \$712.0 million at June 30, 2008.

Additions to IRC 457 net assets consist of member contributions of \$247.5 million in fiscal year 2009, compared to \$126.0 million in 2008. The increase is primarily due to an increase in members and members choosing to contribute more. Net investment losses amounted to \$251.9 million for fiscal year 2009, representing an increase in investment losses of \$204.9 million from the losses of \$47.0 million for fiscal year 2008.

Deductions from the IRC 457 net assets consist primarily of participant withdrawals of \$34.8 million, a decrease of \$13.1 million from the prior fiscal year of \$47.9 million.

Investments

The IRC 457 investments were \$667.3 million at June 30, 2009, which was \$42.8 million less than the \$710.1 million at June 30, 2008. The decrease was due to losses incurred in domestic equity securities. IRC 457 asset allocation is participant directed.

In domestic and international equity securities, the IRC 457 held \$351.0 million at June 30, 2009, a decrease of \$157.3 million from \$508.3 million at fiscal year end 2008.

In domestic debt securities, the fund held \$281.0 million at June 30, 2009, an increase of \$80.7 million from \$200.3 million at fiscal year end 2008.

In short-term investments, the IRC 457 held \$29.9 million at June 30, 2009, an increase of \$28.3 million from \$1.6 million at fiscal year end 2008.

Investments – IRC 457 (Dollars in Millions)

Investment Class	Amount	Percent of Investments
Short-Term Investments	\$29.9	4.5%
Domestic Equity	289.7	43.4
International Equity	61.3	9.2
Domestic Debt	281.0	42.1
Real Estate Equity	5.4	0.8
TOTAL	\$667.3	100.0%

Management's Discussion & Analysis (continued)

Net Assets – Defined Contribution Pension Plan Funds (Dollars in Thousands)

	SPOFF		IRC 457		SCPF	
	2009	2008	2009	2008	2009	2008
ASSETS						
Cash, Cash Equivalents & Receivables	\$4,666	\$6,296	\$5,490	\$12,031	\$56	\$66
Investments	332,108	348,856	667,332	710,149	17,198	21,524
Total Assets	\$336,774	\$355,152	\$672,822	\$722,180	\$17,254	\$21,590
Total Liabilities	\$13	\$445	\$2,223	\$10,229	\$6	\$39
TOTAL NET ASSETS	\$336,761	\$354,707	\$670,599	\$711,951	\$17,248	\$21,551

Changes in Net Assets – Defined Contribution Pension Plan Funds (Dollars in Thousands)

	SPOFF		IRC 457		SCPF	
	2009	2008	2009	2008	2009	2008
ADDITIONS						
Member Contributions	\$ —	\$ —	\$247,484	\$125,952	\$483	\$713
Employer Contributions	53,114	51,475	87	53	—	—
Investment Income (Losses)	(55,423)	(18,363)	(251,890)	(47,015)	(4,054)	(1,517)
Other Income	—	—	113	39	—	—
Total Additions	(\$2,309)	\$33,112	(\$4,206)	\$79,029	(\$3,571)	(\$804)
DEDUCTIONS						
Retirement Benefits	\$12,922	\$11,626	\$ —	\$ —	\$ —	\$ —
Administrative Expenses	2,715	2,157	2,393	1,759	61	113
Participant Withdrawals	—	—	34,753	47,942	671	870
Total Deductions	\$15,637	\$13,783	\$37,146	\$49,701	\$732	\$983
INCREASE (DECREASE) IN NET ASSETS	(\$17,946)	\$19,329	(\$41,352)	\$29,328	(\$4,303)	(\$1,787)
NET ASSETS						
Beginning of Year	\$354,707	\$335,378	\$711,951	\$682,623	\$21,551	\$23,338
End of Year	\$336,761	\$354,707	\$670,599	\$711,951	\$17,248	\$21,551

Supplemental Contributions Program Fund (SCPF)

The SCPF was established effective January 1, 2000, to provide supplemental retirement benefits to members of CalPERS and is entirely member funded. Net assets held in trust for pension benefits decreased to \$17.2 million at June 30, 2009.

Contribution revenues were \$0.5 million for the 2009 fiscal year, a decrease of 32.3 percent from the 2008 fiscal year, primarily due to a decrease in participant contributions. Net investment losses were \$4.1 million for fiscal year 2009, representing an increase in investment losses of \$2.5 million from the losses of \$1.5 million for fiscal year 2008.

For fiscal year 2009, participant withdrawals were \$0.7 million, a decrease of \$0.2 million (22.2 percent) from fiscal year 2008.

Investments

The SCPF investments were \$17.2 million at June 30, 2009, which was \$4.3 million less than the \$21.5 million in total investments at June 30, 2008.

At June 30, 2009, the SCPF held \$9.8 million in domestic and international equity securities, a decrease of \$4.9 million from \$14.7 million at fiscal year end 2008.

In domestic debt securities, the SCPF held \$5.1 million at June 30, 2009, a decrease of \$1.0 million from \$6.1 million at fiscal year end 2008.

In short-term investments, the SCPF held \$1.9 million at June 30, 2009, an increase of \$1.2 million from \$0.7 million at fiscal year end 2008.

Investments – SCPF (Dollars in Millions)

Investment Class	Amount	Allocation
Short-Term Investments	\$1.9	11.0%
Domestic Equity	7.1	41.3
International Equity	2.7	15.7
Domestic Debt Securities	5.1	29.7
Real Estate	0.4	2.3
TOTAL	\$17.2	100.0%

OTHER POST-EMPLOYMENT BENEFIT FUND

California Employers' Retiree Benefit Trust Fund (CERBTf)

Plan Net Assets

The CERBTf is a trust for the pre-funding by employers of health, dental, and other non-pension benefits promised employees when they retire. Net assets held in trust for benefits on June 30, 2009 were \$848.9 million, an increase of \$205.2 million due primarily to an increase of participating public agencies from 72 in the 2007-08 fiscal year, to 196 at June 30, 2009.

Additions to the CERBTf net assets held in trust for benefits include employer contributions, which total \$595.6 million. During the 2009 fiscal year the fund incurred a net investment loss of \$143.8 million primarily due to equity market declines.

Deductions for OPEB reimbursements from the CERBTf net assets held in trust for benefits totaled \$246.0 million in 2009 fiscal year. Deductions for administrative expenses totaled \$0.5 million. The amounts reported for contributions and reimbursements include \$228.4 million for benefit payments made directly by employers to providers outside of the trust, which are required to be reported in the CERBTf.

Net Assets – Other Post-Employment Benefit Fund

(Dollars in Thousands)

	CERBTf	
	2009	2008
ASSETS		
Cash, Cash Equivalents & Receivables	\$12,096	\$1,896
Investments	847,594	646,853
Total Assets	\$859,690	\$648,749
Total Liabilities	\$10,809	\$5,110
TOTAL NET ASSETS	\$848,881	\$643,639

Changes in Net Assets – Other Post-Employment Benefit Fund (Dollars in Thousands)

	CERBTF	
	2009	2008
ADDITIONS		
Employer Contributions	\$595,632	\$836,144
Investment (Losses)	(143,800)	(20,998)
Total Additions	\$451,832	\$815,146
DEDUCTIONS		
Administrative Expenses	\$543	\$131
Reimbursements	246,047	182,816
Total Deductions	\$246,590	\$182,947
INCREASE IN NET ASSETS	\$205,242	\$632,199
NET ASSETS		
Beginning of Year	\$643,639	\$11,440
End of Year	\$848,881	\$643,639

Investments

At June 30, 2009, the CERBTF held \$91.9 million in short-term investments, \$474.0 million in domestic and international equity securities, \$209.4 million in domestic debt securities, and \$72.3 million in real estate equities.

Investments – CERBTF (Dollars in Millions)

Investment Class	Amount	Percent of Investments
Short-Term Investments	\$91.9	10.8%
Domestic Equity	261.5	30.9
International Equity	212.5	25.1
Domestic Debt Securities	209.4	24.7
Real Estate	72.3	8.5
TOTAL	\$847.6	100.0%

ENTERPRISE FUNDS

Employees' Health Care Fund (HCF)

Plan Activity

The HCF accounts for the activities of the CalPERS self-insured health care programs.

The self-insured health care programs incurred claims expenses of \$1.4 billion for the 2009 fiscal year, an increase of 15.4 percent from the 2008 fiscal year, primarily due to increases in provider pricing, increased benefit utilization

and enrollment growth. Premium revenues were \$1.6 billion for the 2009 fiscal year, an increase of 6.7 percent from the 2008 fiscal year, primarily as a result of premium rate increases and enrollment growth. Net investment income was \$21.8 million for the 2009 fiscal year, a decrease of 37.0 percent from the 2008 fiscal year due to a decrease in unrealized gains and interest income in the fund's government bond investments. As a result of increased assets, unrestricted net assets increased by \$61.6 million (10.3 percent) to \$660.2 million at June 30, 2009.

Investments

Investments of the HCF include highly liquid, short-term securities and domestic debt securities. Investments increased \$130.6 million from \$702.8 million at June 30, 2008, to \$833.4 million at June 30, 2009.

Investments – HCF (Dollars in Millions)

Investment Class	Amount	Allocation
Short-Term Investments	\$446.2	53.5%
Domestic Debt Securities	387.2	46.5
TOTAL	\$833.4	100.0%

Public Employees' Contingency Reserve Fund (CRF)

The CRF was established to fund administrative costs related to the CalPERS health care programs and to provide a contingency reserve for potential increases in future health care premium rates or health care benefit costs. Administrative fees collected and related costs are accounted for in the CRF Proprietary Fund type.

Administrative fees earned by the CRF were \$25.4 million for the 2008-09 fiscal year, an increase of 70.5 percent from 2007-08 fiscal year of \$14.9 million. The increase was due mainly to an administrative fee rate increase and an increase in health care enrollment. Net investment income was \$3.7 million for the 2008-09 fiscal year, a decrease of 53.8 percent from the 2007-08 fiscal year. Unrestricted net assets increased by \$2.1 million (15.5 percent) to \$15.3 million at June 30, 2009.

Public agency health payments and remittances to contracted health care providers are reported in the CRF

Management's Discussion & Analysis (continued)

Net Assets – Enterprise Funds (Dollars in Thousands)

	HCF		CRF		LTCF		DCF	
	2009	2008	2009	2008	2009	2008	2009	2008
ASSETS								
Cash, Cash Equivalents & Receivables	\$73,800	\$117,974	\$22,845	\$16,210	\$2,250	\$2,502	\$3	\$868
Investments	833,374	702,818	47,236	119,069	2,139,381	2,314,047	8,725	9,447
Total Assets	\$907,174	\$820,792	\$70,081	\$135,279	\$2,141,631	\$2,316,549	\$8,728	\$10,315
Total Liabilities	\$247,002	\$222,246	\$54,810	\$122,059	\$2,953,270	\$2,451,284	\$4,579	\$6,056
TOTAL UNRESTRICTED NET ASSETS (DEFICIT)	\$660,172	\$598,546	\$15,271	\$13,220	(\$811,639)	(\$134,735)	\$4,149	\$4,259

Changes in Net Assets – Enterprise Funds (Dollars in Thousands)

	HCF		CRF		LTCF		DCF	
	2009	2008	2009	2008	2009	2008	2009	2008
REVENUES								
Self-Insurance Premiums	\$1,586,942	\$1,509,064	\$—	\$—	\$296,529	\$299,489	\$—	\$—
Investment Income (Losses)	21,796	34,579	3,706	8,037	(369,021)	(73,039)	77	235
Administrative Fees & Other	—	—	25,633	14,928	—	—	—	3,259
Total Revenues	\$1,608,738	\$1,543,643	\$29,339	\$22,965	(\$72,492)	\$226,450	\$77	\$3,494
EXPENSES								
Claims Expenses	\$1,433,064	\$1,299,905	\$—	\$—	\$116,191	\$101,349	\$—	\$—
Increase (Decrease) in Estimated Liabilities	28,537	14,626	—	—	469,800	(600,900)	—	—
Administrative Expenses	85,511	79,146	27,288	24,358	18,421	18,479	187	—
Total Expenses	\$1,547,112	\$1,393,677	\$27,288	\$24,358	\$604,412	(\$481,072)	\$187	\$—
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	\$61,626	\$149,966	\$2,051	(\$1,393)	(\$676,904)	\$707,522	(\$110)	\$3,494
NET ASSETS (DEFICIT)								
Beginning of Year	\$598,546	\$448,580	\$13,220	\$14,613	(\$134,735)	(\$842,257)	\$4,259	\$765
End of Year	\$660,172	\$598,546	\$15,271	\$13,220	(\$811,639)	(\$134,735)	\$4,149	\$4,259

Management's Discussion & Analysis (continued)

Agency Fund type. Public agencies remitted approximately \$1.4 billion for payments to contracted health care providers in fiscal year 2008-09.

Investments

Investments of the CRF proprietary activity at June 30, 2009 and 2008, included only highly liquid, short-term securities, as investment balances are used to fund operating cash flows. Investments of the proprietary activities decreased \$71.8 million from \$119.1 million at June 30, 2008, to \$47.2 million at June 30, 2009, primarily due to the public agency cash distributions being processed for fiscal year 2007-08 claims as well as 2008-09 claims.

Public Employees' Long-Term Care Fund (LTCF)

The LTCF, which provides long-term care insurance to participating members, incurred claims expenses of \$116.2 million for the 2009 fiscal year, an increase of 14.6 percent from the 2008 fiscal year, due mainly to an increase in benefit utilization. Premium revenues were \$296.5 million for the 2009 fiscal year, a decrease of 1.0 percent from the 2008 fiscal year. Net investment losses amounted to \$369.0 million for the 2009 fiscal year, an increase in investment losses of 405.5 percent from the losses of \$73.0 million for the 2008 fiscal year, due mainly to poorly performing equity markets in 2009. The unrestricted net deficits of the Long-Term Care Program increased by \$676.9 million to \$811.6 million during the 2009 fiscal year primarily as a result of the increase in the long-term estimated liability and the unfavorable fiscal year 2008-09 investment experience. The fund's management is evaluating the results to determine if additional mitigating action is necessary.

Investments

Total LTCF investments were \$2.1 billion at June 30, 2009, which was \$0.2 billion less than the \$2.3 billion in total investments at June 30, 2008.

At June 30, 2009, the LTCF held \$1.0 billion in domestic and international equity securities, which is approximately the same amount that was invested in domestic and international equities at fiscal year end 2008.

In domestic debt securities, the fund held \$1.0 billion at June 30, 2009, a decrease of \$0.1 billion from \$1.1 billion at fiscal year end 2008.

In real estate investments, the LTCF held \$104.1 million at June 30, 2009, an increase of \$1.5 million from \$102.6 million at fiscal year end 2008.

Investments – LTCF (Dollars in Millions)

Investment Class	Amount	Allocation
Domestic Equity	\$599.2	28.0%
International Equity	390.7	18.3
Domestic Debt Securities	1,045.2	48.8
Real Estate	104.1	4.9
TOTAL OR OVERALL RETURN	\$2,139.2	100.0%

Public Employees' Retirement System Deferred Compensation Fund (DCF)

The purpose of the DCF is to maintain the financial records associated with the investment and administrative management services. Net income is retained in the fund balance to further expand the amount and types of deferred compensation plan management services. Fees are assessed to manage certain investment portfolios of the SPOFF, SCPF, and the IRC 457 public agency program.

Investments

Investments of the DCF at June 30, 2009 and 2008 included only highly liquid, short-term securities. Investments decreased \$0.7 million from \$9.4 million at June 30, 2008, to \$8.7 million at June 30, 2009.

REQUESTS FOR INFORMATION

This Financial Report is designed to provide a general overview of CalPERS finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the CalPERS Fiscal Services Division, P.O. Box 942703, Sacramento, CA, 94229-2703, or by calling **888 CalPERS** (or **888-225-7377**).

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Statement of Fiduciary Net Assets – Fiduciary Funds

As of June 30, 2009, with Comparative Totals as of June 30, 2008 (Dollars in Thousands)

	Pension Trust Funds						
	PERF	LRF	JRF	JRF II	SPOFF	IRC 457	SCPF
ASSETS							
Cash & Cash Equivalents	\$574,518	\$863	\$1	\$2	\$215	\$3,723	\$29
Receivables							
Member, Public Agency, State & School	\$1,696,122	\$26	\$2,179	\$4,854	\$4,440	\$—	\$25
Investment Sales & Other	1,354,448	—	—	—	—	—	—
Interest & Dividends	240,319	—	167	496	11	—	2
Due from Other Funds	3,417	19	36	63	—	—	—
Other Program	22,196	—	1	2	—	1,767	—
Total Receivables	\$3,316,502	\$45	\$2,383	\$5,415	\$4,451	\$1,767	\$27
Investments, at Fair Value							
Short-Term Investments:							
Domestic	\$11,562,736	\$6	\$44,276	\$10,155	\$41,160	\$29,923	\$1,868
International	481,393	—	—	—	—	1	—
Securities Lending Collateral	24,347,602	—	—	—	—	—	—
Equity Securities:							
Domestic	38,236,281	32,222	—	100,228	142,972	289,707	7,057
International	41,993,702	10,763	—	58,555	59,182	61,317	2,732
Debt Securities:							
Domestic	48,322,248	71,146	—	116,257	77,444	280,968	5,058
International	3,275,402	—	—	—	—	—	—
Inflation Linked	4,372,977	—	—	—	—	—	—
Real Estate Equities	30,092,890	—	—	29,593	11,350	5,416	483
Debt on Real Estate Equities	(16,587,276)	—	—	—	—	—	—
Alternative Investments	21,793,456	—	—	—	—	—	—
Total Investments	\$207,891,411	\$114,137	\$44,276	\$314,788	\$332,108	\$667,332	\$17,198
Capital Assets, Net & Other Assets	\$434,038	\$—	\$—	\$—	\$—	\$—	\$—
TOTAL ASSETS	\$212,216,469	\$115,045	\$46,660	\$320,205	\$336,774	\$672,822	\$17,254
LIABILITIES							
Retirement & Other Benefits in Process of Payment	\$1,044,673	\$653	\$19	\$—	\$—	\$—	\$—
Due to Health Carriers	—	—	—	—	—	—	—
Investment Purchases & Other	1,692,751	—	—	—	—	—	—
Due to State and Public Agencies	2,795	—	—	—	—	—	—
Securities Lending Obligation	25,005,693	—	—	—	—	—	—
Due to Other Funds	2,219	—	—	—	—	—	—
Loans Payable – TALF	5,373,343	2,538	—	4,626	—	—	—
Other Program	195,112	67	255	62	13	2,223	6
TOTAL LIABILITIES	\$33,316,586	\$3,258	\$274	\$4,688	\$13	\$2,223	\$6
NET ASSETS HELD IN TRUST FOR PENSION & OTHER POST-EMPLOYMENT BENEFITS	\$178,899,883	\$111,787	\$46,386	\$315,517	\$336,761	\$670,599	\$17,248

Statement of Fiduciary Net Assets – Fiduciary Funds (continued)

Post-Employment Health Care Trust Fund	Agency Funds			Totals	
	CERBTF	RBF	CRF	OASI	2009	2008
\$381	\$19	\$16,526	\$5,724	\$602,001	\$426,958
\$10,532	\$48	\$148,056	\$—	\$1,866,282	\$2,069,973
—	—	—	—	1,354,448	1,316,775
1,183	9	—	—	242,187	260,649
—	—	—	—	3,535	8,633
—	—	—	—	23,966	17,147
\$11,715	\$57	\$148,056	\$—	\$3,490,418	\$3,673,177
\$91,921	\$2,075	\$67,403	\$—	\$11,851,523	\$4,391,732
—	—	—	—	481,394	373,588
—	—	—	—	24,347,602	35,177,731
261,466	—	—	—	39,069,933	74,995,606
212,449	—	—	—	42,398,700	48,745,345
209,410	—	—	—	49,082,531	56,263,465
—	—	—	—	3,275,402	4,194,476
—	—	—	—	4,372,977	4,659,829
72,348	—	—	—	30,212,080	41,035,112
—	—	—	—	(16,587,276)	(19,140,765)
—	—	—	—	21,793,456	24,010,776
\$847,594	\$2,075	\$67,403	\$—	\$210,298,322	\$274,706,895
\$—	\$—	\$—	\$—	\$434,038	\$389,962
\$859,690	\$2,151	\$231,985	\$5,724	\$214,824,779	\$279,196,992
\$3,670	\$—	\$—	\$—	\$1,049,015	\$958,706
—	—	177,278	—	177,278	292,394
—	—	—	—	1,692,751	1,885,621
—	—	—	5,690	8,485	8,003
—	—	—	—	25,005,693	35,177,731
362	—	54,707	34	57,322	59,157
6,762	—	—	—	5,387,269	—
15	2,151	—	—	199,904	689,266
\$10,809	\$2,151	\$231,985	\$5,724	\$33,577,717	\$39,070,878
\$848,881	\$—	\$—	\$—	\$181,247,062	\$240,126,114

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Fiduciary Net Assets – Fiduciary Funds

For the Year Ended June 30, 2009, with Comparative Totals for the Year Ended June 30, 2008 (Dollars in Thousands)

	Pension Trust Funds					
	PERF	LRF	JRF	JRF II	SPOFF	IRC 457
ADDITIONS						
Retirement and OPEB Contributions						
Members	\$3,882,355	\$69	\$8,597	\$15,400	\$ —	\$247,484
Employers	6,912,376	—	11,707	39,514	53,114	87
State of California General Fund	—	—	178,803	—	—	—
Employer Contributions Direct – OPEB	—	—	—	—	—	—
Employer Contributions Outside of Trust – OPEB	—	—	—	—	—	—
Total Retirement and OPEB Contributions	\$10,794,731	\$69	\$199,107	\$54,914	\$53,114	\$247,571
Investment (Loss) Income						
Net Depreciation in Fair Value of Investments	(\$56,913,035)	(\$14,042)	\$ —	(\$61,623)	(\$55,160)	(\$223,467)
Interest	641,819	1	410	150	68	—
Dividends	1,474,340	—	—	1,546	—	381
Real Estate	658,269	—	—	—	—	—
Alternative Investments	102,379	—	—	—	—	—
Other Income (Loss)	120,024	—	—	—	—	(28,241)
Securities Lending Income	99,281	—	—	—	—	—
Less Investment Expenses:						
Costs of Lending	(383,283)	—	—	—	—	—
Real Estate	(2,414,067)	—	—	—	—	—
Other	(752,781)	—	—	—	(331)	(563)
Net Investment (Loss) Income	(\$57,367,054)	(\$14,041)	\$410	(\$59,927)	(\$55,423)	(\$251,890)
Other Income	\$3,155	\$ —	\$3,574	\$ —	\$ —	\$113
TOTAL ADDITIONS	(\$46,569,168)	(\$13,972)	\$203,091	(\$5,013)	(\$2,309)	(\$4,206)
DEDUCTIONS						
Retirement, Death & Survivor Benefits	\$11,831,836	\$7,706	\$174,902	\$1,252	\$12,922	\$ —
Refund of Contributions	186,783	296	—	3,062	—	—
Administrative Expenses	427,809	358	1,049	578	2,715	2,393
Participant Withdrawals	—	—	—	—	—	34,753
OPEB Reimbursements	—	—	—	—	—	—
OPEB Reimbursements – Outside of Trust	—	—	—	—	—	—
Other Expenses	—	—	—	—	—	—
Transfer Out	—	—	—	—	—	—
TOTAL DEDUCTIONS	\$12,446,428	\$8,360	\$175,951	\$4,892	\$15,637	\$37,146
(DECREASE) INCREASE IN NET ASSETS	(\$59,015,596)	(\$22,332)	\$27,140	(\$9,905)	(\$17,946)	(\$41,352)
Net Assets Held in Trust for Pension and Other Post-Employment Benefits						
Beginning of Year as Previously Reported	\$237,915,479	\$134,119	\$19,246	\$325,422	\$354,707	\$711,951
Prior Period Adjustment	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Net Assets as Restated	\$237,915,479	\$134,119	\$19,246	\$325,422	\$354,707	\$711,951
End of Year	\$178,899,883	\$111,787	\$46,386	\$315,517	\$336,761	\$670,599

Statement of Changes in Fiduciary Net Assets – Fiduciary Funds (continued)

SCPF	Post-Employment Health Care Trust Fund	Totals	
	CERBTf	2009	2008
\$483	\$ —	\$4,154,388	\$3,662,131
—	—	7,016,798	7,343,985
—	—	178,803	150,312
—	367,232	367,232	655,030
—	228,400	228,400	181,114
\$483	\$595,632	\$11,945,621	\$11,992,572
(\$3,966)	(\$147,520)	(\$57,418,813)	(\$14,497,189)
17	223	642,688	889,371
1	3,498	1,479,766	2,175,643
—	—	658,269	1,459,428
—	—	102,379	227,495
(94)	—	91,689	154,463
—	—	99,281	1,584,917
—	—	(383,283)	(1,743,444)
—	—	(2,414,067)	(2,208,229)
(12)	(1)	(753,688)	(641,162)
(\$4,054)	(\$143,800)	(\$57,895,779)	(\$12,598,707)
\$ —	\$ —	\$6,842	\$10,068
(\$3,571)	\$451,832	(\$45,943,316)	(\$596,067)
\$ —	\$ —	\$12,028,618	\$11,073,030
—	—	190,141	184,994
61	543	435,506	408,568
671	—	35,424	48,812
—	17,647	17,647	—
—	228,400	228,400	181,114
—	—	—	1,702
—	—	—	3,601
\$732	\$246,590	\$12,935,736	\$11,901,821
(\$4,303)	\$205,242	(\$58,879,052)	(\$12,497,888)
\$21,551	\$643,639	\$240,126,114	\$252,624,071
\$ —	\$ —	\$ —	(\$69)
\$21,551	\$643,639	\$240,126,114	\$252,624,002
\$17,248	\$848,881	\$181,247,062	\$240,126,114

The accompanying notes are an integral part of these financial statements.

Statement of Net Assets – Proprietary Funds

As of June 30, 2009, with Comparative Totals as of June 30, 2008 (Dollars in Thousands)

	Enterprise Funds				Totals	
	HCF	CRF	LTCF	DCF	2009	2008
ASSETS						
Current Assets						
Cash & Cash Equivalents	\$10	\$2,218	\$ —	\$ —	\$2,228	\$817
Receivables						
Member, Public Agency, State & School	\$17,351	\$1,080	\$575	\$ —	\$19,006	\$59,748
Interest & Dividends	1,732	891	1,675	3	4,301	6,003
Management Fees	—	—	—	—	—	854
Due from Other Funds	54,707	2,101	—	—	56,808	58,581
Due from Federal Government	—	16,105	—	—	16,105	11,043
Other	—	450	—	—	450	508
Total Receivables	\$73,790	\$20,627	\$2,250	\$3	\$96,670	\$136,737
Investments, at Fair Value						
Short-Term Investments:						
Domestic	\$446,201	\$47,236	\$67	\$8,725	\$502,229	\$456,917
Equity Securities:						
Domestic	—	—	599,232	—	599,232	640,769
International	—	—	390,749	—	390,749	441,296
Debt Securities:						
Domestic	387,173	—	1,045,245	—	1,432,418	1,503,844
Real Estate Equities	—	—	104,088	—	104,088	102,555
Total Investments	\$833,374	\$47,236	\$2,139,381	\$8,725	\$3,028,716	\$3,145,381
TOTAL ASSETS	\$907,174	\$70,081	\$2,141,631	\$8,728	\$3,127,614	\$3,282,935
LIABILITIES						
Current Liabilities						
Insurance Premiums & Claims in Process of Payment	\$19,357	\$15	\$9,500	\$ —	\$28,872	\$19,698
Estimated Insurance Claims Due	216,584	—	143,213	—	359,797	309,763
Management Fees	—	—	—	2,608	2,608	1,791
Due to Other Funds	29	—	1,116	1,877	3,022	8,057
Due to State & Public Agencies	—	—	—	—	—	76,948
Other	11,032	54,795	12,981	94	78,902	77,103
Total Current Liabilities	\$247,002	\$54,810	\$166,810	\$4,579	\$473,201	\$493,360
Long-Term Liabilities						
Estimated Liability for						
Future Policy Benefits	\$ —	\$ —	\$2,756,587	\$ —	\$2,756,587	\$2,308,285
Loans Payable – TALF	—	—	29,873	—	29,873	—
Total Long-Term Liabilities	\$ —	\$ —	\$2,786,460	\$ —	\$2,786,460	\$2,308,285
TOTAL LIABILITIES	\$247,002	\$54,810	\$2,953,270	\$4,579	\$3,259,661	\$2,801,645
TOTAL UNRESTRICTED NET ASSETS (DEFICIT)	\$660,172	\$15,271	(\$811,639)	\$4,149	(\$132,047)	\$481,290

The accompanying notes are an integral part of these financial statements.

Statement of Revenues, Expenses & Changes in Net Assets – Proprietary Funds

For the Year Ended June 30, 2009, with Comparative Totals for the Year Ended June 30, 2008 (Dollars in Thousands)

	Enterprise Funds				Totals	
	HCF	CRF	LTCF	DCF	2009	2008
Operating Revenues						
Self-Insurance Premiums	\$1,586,942	\$ —	\$296,529	\$ —	\$1,883,471	\$1,808,553
Administrative Fees Earned	—	25,384	—	—	25,384	14,928
Investment Management Fees Earned	—	—	—	—	—	3,259
Other	—	249	—	—	249	—
Total Operating Revenues	\$1,586,942	\$25,633	\$296,529	\$ —	\$1,909,104	\$1,826,740
Operating Expenses						
Claims Expenses	\$1,433,064	\$ —	\$116,191	\$ —	\$1,549,255	\$1,401,254
Increase in Estimated Liabilities	28,537	—	469,800	—	498,337	(586,274)
Administrative Expenses	85,511	27,288	18,421	187	131,407	121,983
Total Operating Expenses	\$1,547,112	\$27,288	\$604,412	\$187	\$2,178,999	\$936,963
OPERATING INCOME (LOSS)	\$39,830	(\$1,655)	(\$307,883)	(\$187)	(\$269,895)	\$889,777
NON-OPERATING REVENUES (LOSSES)						
Net Appreciation (Depreciation) in Fair Value of Investments	\$12,695	\$ —	(\$374,799)	\$ —	(\$362,104)	(\$56,838)
Interest, Dividends & Other Investment Income	9,101	3,706	5,778	77	18,662	26,650
TOTAL NON-OPERATING REVENUES (LOSSES)	\$21,796	\$3,706	(\$369,021)	\$77	(\$343,442)	(\$30,188)
CHANGE IN UNRESTRICTED NET ASSETS	\$61,626	\$2,051	(\$676,904)	(\$110)	(\$613,337)	\$859,589
TOTAL UNRESTRICTED NET ASSETS (DEFICIT)						
Beginning of Year	\$598,546	\$13,220	(\$134,735)	\$4,259	\$481,290	(\$378,299)
End of Year	\$660,172	\$15,271	(\$811,639)	\$4,149	(\$132,047)	\$481,290

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows – Proprietary Funds

For the Year Ended June 30, 2009, with Comparative Totals for the Year Ended June 30, 2008 (Dollars in Thousands)

	Enterprise Funds				Totals	
	HCF	CRF	LTCF	DCF	2009	2008
Cash Flows From Operating Activities						
Self-Insurance Premiums Collected	\$1,628,119	\$ —	\$296,419	\$ —	\$1,924,538	\$1,764,414
Claims Paid	(1,425,611)	—	(114,468)	—	(1,540,079)	(1,402,786)
Other (Payments) Receipts	(94,839)	(74,363)	12,042	(814)	(157,974)	(97,186)
Net Cash Provided by (Used for) Operating Activities	\$107,669	(\$74,363)	\$193,993	(\$814)	\$226,485	\$264,442
Cash Flows From Investing Activities						
Net Purchases of Investments	\$ —	\$ —	(\$200,127)	\$ —	(\$200,127)	(\$188,732)
Net Change in Short-Term Investments	(117,862)	71,833	(6)	722	(45,313)	(117,133)
Interest & Dividends Received	10,187	4,629	5,458	92	20,366	26,488
Net Cash (Used for) Provided by Investing Activities	(\$107,675)	\$76,462	(\$194,675)	\$814	(\$225,074)	(\$279,377)
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(\$6)	\$2,099	(\$682)	\$ —	\$1,411	(\$14,935)
Cash & Cash Equivalents, Beginning of Year	\$16	\$119	\$682	\$ —	\$817	\$15,752
Cash & Cash Equivalents, End of Year	\$10	\$2,218	\$ —	\$ —	\$2,228	\$817
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities						
Operating Income (Loss)	\$39,830	(\$1,655)	(\$307,883)	(\$187)	(\$269,895)	\$889,777
Changes in Assets & Liabilities:						
Receivables:						
Member, Public Agency, State & School	41,177	(325)	(110)	—	40,742	(44,623)
Management Fees Receivable	—	—	—	854	854	—
Due from Other Funds	1,902	(129)	—	—	1,773	(9,122)
Due from Federal Government	—	(5,062)	—	—	(5,062)	(232)
Other	1	57	—	—	58	217
Insurance Premiums & Claims in Process of Payment	7,454	(2)	1,723	—	9,175	(1,533)
Estimated Insurance Claims Due	28,536	—	—	—	28,536	14,626
Management Fees Payable	—	—	—	815	815	—
Due to Other Funds	(1,299)	(2,168)	236	(1,805)	(5,036)	25,592
Loans Payable – TALF	—	—	29,874	—	29,874	—
Due to State and Public Agencies	—	(76,946)	—	—	(76,946)	—
Other	(9,932)	11,867	353	(491)	1,797	(9,360)
Liability for Future Policy Benefits	—	—	469,800	—	469,800	(600,900)
Net Cash Provided by (Used for) Operating Activities	\$107,669	(\$74,363)	\$193,993	(\$814)	\$226,485	\$264,442
Noncash Investing, Capital & Financing Activities						
Noncash Change in Fair Value of Investments in Securities	\$12,695	\$ —	(\$362,626)	\$ —	(\$349,931)	(\$115,708)

The accompanying notes are an integral part of these financial statements.

Notes to the Basic Financial Statements

1. GENERAL DESCRIPTION OF THE PLAN

The State Employees' Retirement System, the predecessor to the Public Employees' Retirement System of the State of California (CalPERS), or the "System," was created after voters approved a constitutional amendment authorizing legislation to establish a pension system for State employees. Such legislation became effective January 1, 1932. CalPERS has expanded to include, among others, employees of local agencies that elect to participate in the System. At June 30, 2009, the Board of Administration (Board) of CalPERS administers a total of 15 funds, including four defined benefit retirement plans: the Public Employees' Retirement Fund (PERF), the Legislators' Retirement Fund (LRF), the Judges' Retirement Fund (JRF), and the Judges' Retirement Fund II (JRF II); three defined contribution retirement plans: the State Peace Officers' and Firefighters' Defined Contribution Plan Fund (SPOFF), the Public Agency Deferred Compensation Program (IRC 457), and the Supplemental Contributions Program Fund (SCPF); one defined benefit post-employment health care plan, the California Employers' Retirement Benefit Trust Fund (CERBTF); one health care plan: the Public Employees' Health Care Fund (HCF); and six other plans: the Public Employees' Long-Term Care Fund (LTCF), the Public Employees' Deferred Compensation Fund (DCF), the Old Age & Survivors' Insurance Revolving Fund (OASI), the Public Employees' Contingency Reserve Proprietary Fund (CRF), the Public Employees' Contingency Reserve Agency Fund (CRF), and the Replacement Benefit Fund (RBF).

Reporting Entity

The basic financial statements of CalPERS include fund financial statements reporting the financial activities of all of the above funds and assets under trust. The CalPERS Board of Administration has plenary authority and fiduciary responsibility for the investment of monies and the administration of the System pursuant to the State Constitution, Article XVI, Section 17. CalPERS is a unit of the State of California State and Consumer Services Agency; however, CalPERS is not subject to administrative direction by any department, commission, board, bureau, or agency of the State. As such, CalPERS is classified as a

component unit of the State of California for financial reporting purposes, in accordance with the provisions of Governmental Accounting Standards Board Statement No. 39.

CalPERS financial statements are included in fiduciary and proprietary funds in the State of California Comprehensive Annual Financial Report.

Defined Benefit Plans

The PERF was established in 1932, the LRF in 1947, the JRF in 1937, and JRF II in 1994. The PERF, LRF, JRF, and JRF II are defined benefit pension plans which provide benefits based on members' years of service, age, final compensation, and benefit formula. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries.

At June 30, 2009, the State of California and 1,568 public agencies and schools (representing more than 2,600 entities) contribute to the PERF, JRF, and JRF II, which are agent multiple employer and cost-sharing defined benefit pension plans. CalPERS acts as the common investment and administrative agent for the member agencies, including schools (for classified employees). The LRF is a single-employer defined benefit pension plan for the State of California.

Members of the PERF, LRF, JRF, and JRF II become fully vested in their retirement benefits earned to date after five years (10 years for State Second Tier members) of credited service.

As of June 30, 2009, the number of affiliated employers for the PERF, LRF, JRF, and JRF II are as follows:

Affiliated Employers for the PERF, LRF, JRF, and JRF II

	2009
PERF	
State	1
School	61
Public Agency	1,507
Total PERF	1,569
LRF	1
JRF	59
JRF II	59

Notes to the Basic Financial Statements (continued)

As of June 30, 2009, benefit recipients and members in the PERF, LRF, JRF, and JRF II consisted of the following:

Benefit Recipients and Members in the PERF, LRF, JRF, and JRF II

Fund	Retirees	Survivors & Beneficiaries	Members		TOTAL
			Active	Inactive	
PERF					
State	150,393	25,196	259,786	86,147	521,522
School Public Agency	141,076	19,785	301,969	130,414	593,244
Total PERF	422,691	62,264	821,113	313,284	1,619,352
LRF	137	122	14	25	298
JRF	1,186	603	559	61	2,409
JRF II	12	3	1,119	—	1,134
TOTAL	424,026	62,992	822,805	313,370	1,623,193

The membership consists of the following categories:

PERF

- *Safety* – includes California Highway Patrol, peace officers, firefighters, and other employees whose principal duties are in active law enforcement or fire prevention and suppression work, or who occupy positions designated by law as safety member positions.
- *Schools* – includes non-teaching, non-certificated school employees.
- *State Industrial* – includes all employees of the Department of Corrections and the California Youth Authority who are not safety members.
- *General* – includes all other members, defined by statute as “miscellaneous” members.

LRF

- State Legislators
- Constitutional Officers
- Legislative Statutory Officers

JRF

- *Judges* – includes Supreme Court, Courts of Appeal, and Superior Courts appointed or elected before November 9, 1994.

JRF II

- *Judges* – includes Supreme Court, Courts of Appeal and Superior Courts appointed or elected on or after November 9, 1994.

Financing

The benefits for the PERF, LRF, JRF, and JRF II are funded by contributions from members and employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer’s benefit formulas. Employer contribution rates are determined by periodic actuarial valuations or by State statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Employer contributions, including lump sum contributions made when agencies first join the Public Employees’ Retirement Fund, are credited with a market value adjustment in determining contribution rates.

The required contribution rates of active plan members are based on a percentage of salary in excess of a base compensation amount ranging from \$133 to \$863 monthly. For the fiscal year ended June 30, 2009, the required contribution rates for active plan members are as follows:

Required Contribution Rates for Active Plan Members

	Required Contribution Rates
PERF	
State Employees:	
Miscellaneous & Industrial	5% or 6%
Miscellaneous & Industrial – Second Tier	0%
Safety	6%
Peace Officers & Firefighters	8%
California Highway Patrol	8%
Classified School Employees	7%
Public Agency Employees	5% to 9%
LRF	0%
JRF	8%
JRF II	8%

These contributions are deposited in a fund established for each entity for the purpose of creating actuarial reserves for future benefits.

All employees in a covered class of employment who work on a half-time basis or more are eligible to participate in the retirement plans. CalPERS administers several different retirement plans, each providing a monthly allowance based on age, years of credited service, the benefit formula, and highest average compensation over an established period of one year to three years. All plans provide death and disability benefits. In addition, post-retirement cost of living increases are also provided. Within the PERF, the benefit provisions for the State and school employees are established by statute. The benefits for the public agencies are established by contract with the System, in accordance with the provisions of the Public Employees' Retirement Law.

The benefits for the LRF are established in accordance with the provisions of the Legislators' Retirement Law. The benefits for the JRF are established in accordance with the provisions of the Judges' Retirement Law. The benefits for the JRF II are established in accordance with the provisions of the Judges' Retirement System II Law.

In November 1990, Article IV, Section 4.5 was added to the State Constitution by adopting Proposition 140. This section effectively prohibited future Legislators from earning State retirement benefits for service in the Legislature on or after November 7, 1990, though it recognized vested pension benefits that had accrued before that date.

Due to the effects of Proposition 140, there are no current legislators eligible to participate in the Legislators' Retirement Fund. The only active members in the fund are Constitutional Officers (including the Insurance Commissioner and members of the Board of Equalization) and Legislative Statutory Officers.

Costs of administering the funds are financed through contributions and investment earnings of the funds.

Termination

Upon permanent separation from the retirement plans, accumulated member contributions are refundable, with interest credited through the date of refund, as required by applicable laws. Withdrawal of such accumulated contributions results in forfeiture of the related vested benefits.

In the event that public agencies elect to terminate their contracts with the retirement plans, accumulated

member and employer contributions, interest, and the related liability for benefits may be transferred to the employers. If amounts are not transferred to the employer, sufficient assets required to cover the related liability for benefits are retained in the retirement plans. Excess assets above those required, if any, are returned to the employer, while the employer is billed for any deficiency in assets.

CERBTF

The California Employers' Retiree Benefit Trust Fund (CERBTF) was established by Chapter 331 of the 1988 Statutes and initially funded in 2007. At June 30, 2009, 196 employers had elected to participate in the fund. The purpose of the fund is to receive contributions from participating employers and establish separate employer prefunding accounts to pay for health care or other post-employment benefits in accordance with the terms of participating employer's plans. Contributions are voluntarily determined by the employer's own funding schedule, and there are no long-term contracts for contributions to the plan. The CERBTF is an agent multiple-employer plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 43 with pooled administrative and investment functions.

Participating employers may receive disbursements from the fund not to exceed the annual premium and other costs of eligible post-employment benefits. If the employer's participation in the fund terminates, all assets in the employer's prefunding account shall remain in the fund except as otherwise provided. Allowable termination disbursements are to a trustee or as a trustee transfer of assets upon satisfactorily showing to the Board the transfer will satisfy applicable requirements of the Internal Revenue Code and the Board's fiduciary duties, or the employer substantiates to the Board that all of the employer's obligations for the payment of post-employment benefits have been satisfied. At June 30, 2009, there were 99,580 active and 38,042 retired miscellaneous and 13,737 active and 6,609 retired safety participants.

Costs to administer the plan are determined through the CalPERS Board-approved cost-allocation plan, where actual direct and indirect costs of administering the System are equitably assessed to each fund.

Defined Contribution Plans

SPOFF

The State Peace Officers' and Firefighters' Supplemental Plan (SPOFF) is a defined contribution retirement plan established by Chapter 820 of the 1998 Statutes. The Plan is a qualified money purchase pension plan under Section 401(a) of Title 26 of the Internal Revenue Code and is intended to supplement the retirement benefits provided by the PERF to eligible correctional officers employed by the State of California. Plan provisions are established and may be amended by statute.

Contributions to the Plan are funded entirely by the employer, with a contribution rate of 2 percent of the employee's base pay, not to exceed contribution limits established by the Internal Revenue Code. Contribution requirements are established and may be amended through a Memorandum of Understanding from the State of California Department of Personnel Administration.

The benefits paid to participants will depend on the amount contributed and the earnings/losses attributed to participants' account. Contributions are invested in the CalPERS Moderate Asset Allocation Fund. Distributions are allowed only at retirement or permanent separation from all State employment. At June 30, 2009, there were 41,035 participants.

IRC 457

The CalPERS Supplemental Income 457 Plan (457 Deferred Compensation Plan) is available to public agencies and school districts within the State of California and is governed by Code Section 21670 through 21685 authorizing the Board of Administration to establish a deferred compensation plan qualified under Section 457 of Title 26 of the United States Code for California Public Employees.

The CalPERS Supplemental Income 457 Plan is administered by CalPERS and a third-party administrator, ING, who provides record keeping and plan administration services. Plan participation is voluntary to employees of contracting public agencies and school districts, and contributions are intended to supplement the retirement benefits provided by the PERF.

Members may contribute up to the limit established under the Internal Revenue Code and are allowed to

change their contribution amount, transfer account balances among 25 investment options, or change the contribution percentages designated to each option on a daily basis. The 25 investment options are:

- CalPERS Target Retirement Income Fund,
- CalPERS Target Retirement 2005 Fund,
- CalPERS Target Retirement 2010 Fund,
- CalPERS Target Retirement 2015 Fund,
- CalPERS Target Retirement 2020 Fund,
- CalPERS Target Retirement 2025 Fund,
- CalPERS Target Retirement 2030 Fund,
- CalPERS Target Retirement 2035 Fund,
- CalPERS Target Retirement 2040 Fund,
- CalPERS Target Retirement 2045 Fund,
- CalPERS Target Retirement 2050 Fund,
- CalPERS Conservative Asset Allocation Fund,
- CalPERS Moderate Asset Allocation Fund,
- CalPERS Aggressive Asset Allocation Fund,
- Stable Value Fund,
- CalPERS Treasury Inflation Protected Securities Fund,
- CalPERS Total Return Bond Fund,
- CalPERS S&P 500 Equity Index Fund,
- Alliance Bernstein Active Large Cap Equity Value Fund,
- Turner Active Large Cap Equity Growth Fund,
- CalPERS Small & Mid Cap Equity Index Fund,
- The Boston Company Active Small/Mid Cap Growth Fund,
- The Boston Company Active Small/Mid Cap Value Fund,
- CalPERS International Index Fund, and
- Pyramis Select Active International Fund.

In addition, a Self Managed Brokerage Account (SMA) is an optional provision. Members may access their funds upon retirement, separation from employment, or other distributable events as allowed under the Internal Revenue Code. The CalPERS Board of Administration has authorization under the Government Code of the State of California to establish plan provisions. At June 30, 2009, there were 28,726 participants with account balances.

SCPF

The Supplemental Contribution Plan (SCP) was established January 1, 2000, by Chapter 307 of the 1999 Statutes. The plan is a qualified plan under Section 401(a) of Title 26 of the United States Code. It is administered by CalPERS and a third-party administrator, ING, who provides record keeping and plan administration services. After-tax contributions are intended to supplement the retirement benefits provided by the PERF.

Currently, the Plan is available only to State of California employees who are members of CalPERS. The program is entirely member-funded and participation is voluntary. Participant contributions are made on an after-tax basis and are separate from defined benefit contributions. Participants may contribute to a deferred compensation plan in conjunction with SCP, subject to Internal Revenue Code Section 415(c) limits. The 25 investment options available in SCP are:

- CalPERS Target Retirement Income Fund,
- CalPERS Target Retirement 2005 Fund,
- CalPERS Target Retirement 2010 Fund,
- CalPERS Target Retirement 2015 Fund,
- CalPERS Target Retirement 2020 Fund,
- CalPERS Target Retirement 2025 Fund,
- CalPERS Target Retirement 2030 Fund,
- CalPERS Target Retirement 2035 Fund,
- CalPERS Target Retirement 2040 Fund,
- CalPERS Target Retirement 2045 Fund,
- CalPERS Target Retirement 2050 Fund,
- CalPERS Conservative Asset Allocation Fund,
- CalPERS Moderate Asset Allocation Fund,
- CalPERS Aggressive Asset Allocation Fund,
- Stable Value Fund,
- CalPERS Treasury Inflation Protected Securities Fund,
- CalPERS Total Return Bond Fund,
- CalPERS S&P 500 Equity Index Fund,
- Alliance Bernstein Active Large Cap Equity Value Fund,
- Turner Active Large Cap Equity Growth Fund,
- CalPERS Small & Mid Cap Equity Index Fund,
- The Boston Company Active Small/Mid Cap Growth Fund,

- The Boston Company Active Small/Mid Cap Value Fund,
- CalPERS International Index Fund, and
- Pyramis Select Active International Fund.

In addition, a Self Managed Brokerage Account (SMA) is available. Distributions are allowed only at retirement or permanent separation from employment. The CalPERS Board of Administration has authorization under the Government Code of the State of California to establish plan provisions. At June 30, 2009, there were 708 participants in the program.

Other Funds Administered by CalPERS

OASI

The Old Age & Survivors' Insurance Revolving Fund (OASI) was established to consolidate the collection and payment for California public agencies of employee and employer contributions under the provisions of the federal Social Security regulations.

Federal legislation was enacted on October 21, 1986, which required direct remittance of Social Security contributions by individual public agencies and eliminates the intermediary collection and remittance of such contributions by individual public agencies and by State Social Security agencies, such as the OASI. As such, effective January 1, 1987, the OASI stopped receiving contributions from public agencies. Since then the OASI fund has operated in the capacity of an intermediary in the reconciliation of past year's payroll contributions to the federal government and to reimburse the PERF for OASI contract management services. As reconciliations are completed, amounts will be collected and transmitted to the federal government or returned to the local governments. If any liabilities are owed which the OASI cannot collect, the State of California or the appropriate public agency is responsible for payment.

HCF

The Public Employees' Health Care Fund (HCF) was established under the Public Employees' Medical and Hospital Care Act (PEMHCA) as of July 1, 1988. The self-funded plans, PERS Choice, PERSCare, and PERS

Select (the Plans) are risk pools available to all entities that contract for health insurance coverage under PEMHCA. Having all members in a single risk pool spreads catastrophic claims over a large base and minimizes administrative expenses. The Plans retain all the risk of loss of allowable health claims. Fund members are not subject to a supplemental assessment in the event of deficiencies. Premium rates are set by the Board based on a trend analysis of the historic cost, utilization, demographics, and administrative expenses of the HCF to provide for the claims incurred and the actuarially determined required level of reserves.

The Plans rely on operating cash flows and investment income to fund health benefit payments. During the 2008-09 fiscal year, the Board continued to increase member premiums to mitigate the impact of increasing costs associated with enrollment growth, increases in provider pricing, and increased benefit utilization. Management believes that the current sources of funding will be adequate to provide for benefits of the Plans.

Public agencies participating in the Plans are required to make monthly premium payments based on rates established annually by CalPERS. Employer contributions are determined by the public agency through benefit negotiations, subject to minimum contribution levels established through PEMHCA. Public agency members pay the difference between the premium rate and the employers' contribution. Administrative costs are financed through investment earnings.

CRF

The Public Employees' Contingency Reserve Fund (CRF) was established in 1962, with the passage of PEMHCA, to fund administrative costs related to the PEMHCA program, and as a contingency reserve for such items as increases in future rates or in future benefits. PEMHCA was expanded to include local public agency employees on a contract basis in 1967. The CRF is reimbursed by the State and contracting public agencies for costs incurred for administering the program.

Activity in the CRF is reported in two separate fund types. Administrative fees collected and related costs are accounted for in the CRF Proprietary Fund type. Public agency health payments and remittances to contracted health care providers are reported in the CRF Agency Fund type.

PEMHCA establishes eligibility rules for the following:

- Retirees and beneficiaries receiving health care benefits,
- Terminated plan members entitled to but not yet receiving benefits, and
- Active plan members.

Administrative costs include direct costs of the program and a proportionate share of indirect costs allocated to the CRF by the PERF. The administrative fee is determined as a percentage of insurance premiums paid by the employers. The administrative fee for the year ended June 30, 2009, was 0.45 percent. Contribution rates are reviewed annually and are adjusted, if needed, to cover budgeted administrative costs.

Public agency employers whose employees do not elect PERS Choice, PERSCare, or PERS Select submit the provider-determined, Board-approved premiums to the CRF Agency Fund, which in turn submits the premiums to the respective provider.

At June 30, 2009, 1,160 entities participated in health insurance coverage under PEMHCA.

LTCF

The Public Employees' Long-Term Care Fund (LTCF) began providing self-insured long-term care plans in 1995. The LTCF operates by providing long-term care coverage to enrolled members under the Public Employees' Long-Term Care Act (PERL, Chapter 15). The fund contracts with a third party to administer the program. Long-term care coverage is offered to all public employees (active or retired), their spouses, parents, parents-in-law, and siblings. The LTCF is a member-paid program with no contributions from employers. Premium rates are recommended to the Board by the program actuary and are set by the Board. Prospective enrollees apply directly to the program for long-term care coverage.

As of June 30, 2009, there are 165,023 enrollees, of which 3,592 are receiving benefits. In fiscal year 2008-09, CalPERS Board of Administration did not approve the application period for 2009; therefore, the LTCF was closed to new entrants.

The increase in the unrestricted net deficit in the LTCF from \$134.7 million in 2007-08 to \$811.6 million

in 2008-09 is attributable to an increase in the actuarially determined liability for future policy benefits as a result of unfavorable investment experience. The actuarial valuation results are very sensitive to differences between the underlying assumptions, including the investment rate of return, morbidity, and actual experience. The LTCF management is evaluating the results of the most recent actuarial valuation to determine if mitigating action is necessary.

DCF

The Public Employees' Retirement System Deferred Compensation Fund (DCF) accounts for revenues and expenses associated with administrative and investment management services provided to other governments by CalPERS staff. The services provided assist other governments with their administration of deferred compensation plans. Revenues come from fees charged to various State of California public agencies for managing 18 investment portfolios offered in the CalPERS IRC 457 plan and certain investments of the SPOFF and SCPF.

The DCF was established by Chapter 1659 of the 1990 Statutes, which added Government Code Sections 21420-21429. These Government Code Sections were subsequently renumbered to Government Code Sections 21670-21685 by Chapter 379 of the 1995 Statutes. Operation and initial funding of the DCF commenced July 1991.

RBF

The Replacement Benefit Fund (RBF) was established as a custodial fund by Chapter 938 of the 1995 Statutes and initially funded in 1998 to provide benefits to members of the PERF whose retirement benefit exceeds Internal Revenue Code Section 415(b) limits. IRC Section 415(b) imposes a dollar limit on the annual retirement benefits an individual may receive from a qualified defined benefit pension plan.

The RBF is funded on a "pay-as-you-go" basis. That is, money collected from an employer during any calendar year must be paid to the retiree during that same year. Employer contributions must be in amounts "equivalent to" the benefits not paid as a result of the limitations of IRC Section 415(b). CalPERS calculates the member's

retirement allowance based on the member's choice of retirement option. CalPERS also is responsible for calculating the applicable dollar limit under IRC Section 415(b), and setting the employer rates. At June 30, 2009, there were 182 retirees in the RBF.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus, Basis of Accounting &

Basis of Presentation

The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). In doing so, CalPERS adheres to guidelines established by the Governmental Accounting Standards Board (GASB), as well as accounting policies that comply with applicable laws and regulations.

Due to the types of investments held by the CRF agency and proprietary funds, JRF, RBF, and DCF, there was no appreciation (depreciation) in the fair value of investments in fiscal year 2008-09. The calculation of realized gains and losses is independent of the calculation of the change in the fair value of investments. Realized gains and losses of the current period include unrealized amounts from prior periods.

The accounts of CalPERS are organized and operated on the basis of funds. CalPERS has the following fund types at June 30, 2009:

Fiduciary funds — including pension trust, other post-employment trust, and agency funds, account for assets held by the government in a trustee capacity or as an agent on behalf of others. The pension trust funds (PERF, LRF, JRF, JRF II, SPOFF, IRC 457, and SCPF) and the other post-employment health care fund (CERBTF) are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Member contributions for the PERF, LRF, JRF, JRF II, IRC 457, and SCPF are recognized in the period in which the contributions are due. Employer contributions for the PERF, JRF, JRF II, SPOFF, and CERBTF are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits under the defined benefit plans and refunds are recognized when due and payable in accordance with the terms of each plan. The agency funds (OASI, CRF, and RBF) are custodial

in nature and do not measure the results of operations. Assets and liabilities are recorded using the accrual basis of accounting.

Proprietary funds — including enterprise funds (HCF, CRF, LTCF, and DCF) are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. CalPERS applies all applicable GASB pronouncements in accounting and reporting for its proprietary operations, and follows FASB pronouncements issued prior to December 1, 1989, insofar as those standards do not conflict or contradict guidance of the GASB. CalPERS has elected not to follow FASB pronouncements issued after November 30, 1989.

Operating revenues and expenses are distinguished from non-operating items and generally result from providing services in connection with ongoing operations. The principal operating revenues of the HCF, CRF, LTCF, and DCF are derived from self-insurance premiums and providing administrative services. Operating expenses include the cost of claims and related administrative expenses. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Investments

The majority of the investments held at June 30, 2009, are in the custody of or controlled by State Street Bank, CalPERS master custodian. State statutes and Board policies allow investments consisting of government, corporate and international debt, domestic and international equities, mutual funds, alternative investments, real estate, ILAC asset class, and other investments.

Investments are reported at fair value. The diversity of the investment types which CalPERS has entered into requires a wide range of techniques to determine fair value. The overall valuation processes and information sources by major asset classification are as follows:

Short Term

Short-term investments can consist of U.S. Treasury and Government Sponsored Securities, Money Market Funds, Commercial Paper, Certificates of Deposit, Delivery Versus Payment (DVP) Repurchase Agreements,

Asset Back Securities, Notes and Bonds issued by U.S. corporations, and other allowable instruments that meet short-term maturity or average life, diversification, and credit quality restrictions. This approach allows for a high level of liquidity and diversification. Assets are reported at fair value or cost or amortized cost that approximates fair value. Fair value is determined based upon quoted market prices. For investments where no readily ascertainable market value exists, management, in consultation with their investment advisors, has determined the fair values for the individual investments.

Debt Securities

Debt securities consists primarily of negotiable obligations of the U.S. Government and U.S. Government sponsored agencies, corporations, and securitized offerings backed by residential and commercial mortgages, credit cards, auto and student loans. Certain debt securities, such as U.S. government bonds, have an active market for identical securities. These securities can typically be valued using the close or last traded price on a specific date. The majority of other debt securities are not as actively traded and are thus valued by pricing vendors, which use modeling techniques that include market observable inputs required to develop a fair value. Typical inputs include recent trades, yields, price quotes, cash flows, maturity, credit ratings and other assumptions based upon the specifics of the asset type.

Equities

The majority of domestic and international equity securities held by CalPERS are actively traded on major stock exchanges or over-the-counter. These exchanges make information on trades of identical securities available daily on a last trade or official close basis. If such information is not available, other pre-established means are used to determine a price.

In addition, CalPERS holds limited partner positions in corporate governance funds, organized to invest strategically in publicly traded equity securities of companies on major stock exchanges to achieve long-term capital appreciation. These limited partnerships have been valued using the net asset value (NAV) of the entity, with the most significant input into the NAV being the value of its investment holdings. The general partners obtain prices for their

holdings in a manner similar to that described above for CalPERS equity holdings.

CalPERS has invested as a limited partner in various funds which employ specific strategies. The most common investment strategies for these funds include, but not limited to Directional Trading, Event Driven, Fund of Hedge Funds, Multi-Process, Security Selection, and Specialist Credit strategies. Involvements in such funds are long term and have limited liquidity. As a result, investors are subject to redemption restrictions which generally limit distributions and restrict the ability of limited partners to exit a partnership investment prior to its dissolution. These partnerships are valued using their respective NAV, and are audited annually. The most significant input into the NAV of such an entity is the fair value of its investment holdings. These holdings are valued by the general partners on a quarterly or semi-annual basis, in conjunction with management, valuation specialists, and investment advisors. The management assumptions are based upon the nature of the investment and the underlying business. The valuation techniques vary based upon investment type and involve a certain degree of expert judgment.

Alternative Investments

CalPERS has invested as a limited partner in various funds which employ specific strategies. The most common investment categories for these funds include leveraged buyouts, venture capital, growth capital, distressed investments and mezzanine capital. The strategies of all such funds are long term and illiquid in nature. As a result, investors are subject to redemption restrictions which generally limit distributions and restrict the ability of limited partners to exit a partnership investment prior to its dissolution. Alternative Investments partnerships are valued using their respective NAV, and are audited annually. The most significant input into the NAV of such an entity is the fair value of its investment holdings. These holdings are valued by the general partners on a quarterly or semi-annual basis, in conjunction with management and investment advisors, and consultation with valuation specialists. The management assumptions are based upon the nature of the investment and the underlying business. The valuation techniques vary based upon investment type and involve a certain degree of expert judgment.

Real Estate

Real estate is held either directly, in separate accounts, or as a limited partner in a commingled fund. Properties owned directly or in a joint venture structure are subject to independent third-party appraisals performed in accordance with the Uniform Standards of Professional Appraisal Practice once every year. Real estate investments in a commingled fund are long term and illiquid in nature. As a result, investors are subject to redemption restrictions which generally limit distributions and restrict the ability of limited partners to exit a partnership investment prior to its dissolution. Limited partner interest in commingled funds are valued by CalPERS using the NAV of the partnership. The most significant input into the NAV of such an entity is the value of its investment holdings. These holdings are valued by the general partners on a continuous basis, audited annually and may be periodically appraised by an independent third party. The valuation assumptions are based upon both market and property specific inputs which are not observable and involve a certain degree of expert judgment.

Inflation Linked Asset Class

In December 2007, the CalPERS Board of Administration approved an investment asset allocation that includes a 5 percent allocation in an Inflation Linked Asset Class (ILAC). The ILAC is Board approved to include commodities, inflation-linked bonds, infrastructure, and forestland. The commodities and inflation-linked bonds investments are valued based on quoted market price. The infrastructure and forestland investments are valued in the same manner as described in the Alternative Investments and Real Estate sections of this footnote respectively. At June 30, 2009, the ILAC held \$1.4 billion of inflation-linked bonds, \$0.1 billion in infrastructure, \$2.3 billion in forestland, and \$0.6 billion in commodities exposure.

CalPERS presents, in the statement of changes in fiduciary net assets, the net appreciation (depreciation) in the fair value of its investments, which consists of the realized gains and losses and the unrealized appreciation and depreciation on those investments. Purchases and sales are recorded on the trade date. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

There are certain market risks, including interest, credit, foreign currency exchange and concentration risk, which may subject the System to economic changes occurring in certain industries, sectors, or geographies.

Derivatives

Under the State Constitution and statutory provisions governing CalPERS investment authority, CalPERS holds investments in futures and options and enters into forward foreign currency exchange contracts. Futures and options with fair values of approximately negative \$119.3 million are held for investment purposes and included within the financial statements at June 30, 2009. Gains and losses on futures and options are determined based upon quoted market values and recorded in the Statement of Changes in Fiduciary Net Assets.

Due to the level of risk associated with certain derivative investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and such changes could affect the amounts reported in the financial statements.

Forward foreign currency exchange contracts are used primarily to hedge against changes in exchange rates related to foreign securities. At June 30, 2009, CalPERS had approximately negative \$119.5 million net exposure to loss from forward foreign currency exchange transactions related to the approximately \$4.0 billion and \$42.0 billion international debt and equity portfolios, respectively.

CalPERS could be exposed to risk if the counterparties to the contracts are unable to meet the terms of the contracts.

CalPERS investment managers seek to control this risk through counterparty credit evaluations and approvals, counterparty credit limits, and exposure monitoring procedures. CalPERS anticipates that the counterparties will be able to satisfy their obligations under the contracts.

Capital Assets

Capital assets are defined by CalPERS as assets with an initial individual cost of \$5,000 or more, and an estimated useful life in excess of one year.

Capital assets held by the PERF, consisting of buildings, furniture, and equipment, are recorded at cost or, if donated, at their estimated fair market value at the date of

donation. Capital assets are depreciated over their estimated useful lives, ranging from one to five years for furniture and equipment and 40 years for buildings, using the straight-line method of depreciation.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets held in trust for pension and post-employment health care benefits and changes therein, incurred but not reported (IBNR), claims payable, LTCF liability, and disclosure of contingent liabilities at the date of the financial statements. Actual results could differ from those estimates.

Comparative Totals

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with the accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with CalPERS financial statements for the year ended June 30, 2008, from which the summarized information was derived.

Reclassifications

Certain reclassifications have been made to the comparative totals as of and for the year ended June 30, 2008, to conform to the presentation as of June 30, 2009. The total beginning net assets of the Fiduciary Funds was reduced by \$146 thousand to reflect the RBF being classified as an agency fund effective fiscal year 2008-09.

3. CASH & CASH EQUIVALENTS

Cash and cash equivalents of approximately \$604.2 million at June 30, 2009 represent amounts held in the CalPERS general operating accounts with the State Treasury. These monies are not individually identifiable by fund, as they are pooled with the monies of other State agencies and invested by the State Treasurer's Office.

4. INVESTMENTS

For the year ended June 30, 2009, State Street Bank & Trust Company was the master custodian for significantly all CalPERS securities, however, certain securities are held by alternative investment managers. Real estate deeds of trust are held in the name of Limited Liability Corporations and Partnerships. The investments held by the PERF, LRF, JRF II, SPOFF, SCPF, CERBTF, IRC 457, HCF, and LTCF have been commingled and held in internally managed investment pools. The investments are held in a domestic and international equity pool, and a debt securities pool. Each of the nine funds has a different asset allocation based on Board-approved policy.

In accordance with GASB Statement 40, CalPERS discloses investments of all CalPERS managed funds that are subject to certain risks: custodial credit risk, concentration of credit risk, interest rate risk, credit risk and foreign currency risk.

GASB Statement 40 investment risk disclosures begin on page 53, disclosing the investments subject to the various risks for the PERF and all other affiliate funds.

Securities Lending

The State Constitution and CalPERS Board policies permit CalPERS to use investments of the PERF to enter into securities lending transactions; collateralized loans of securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. CalPERS has contracted with eSecLending LLC (eSec) and State Street Bank & Trust (SSB) as third-party securities lending agents to lend domestic and international equity and debt securities. Additionally, CalPERS contracts with eSecLending as an administrative agent for CalPERS principal borrowers.

Domestic and international securities are collateralized for cash at 102 percent and 105 percent, respectively, of the fair value of securities lent. Management believes CalPERS has minimized credit risk exposure to borrowers by requiring the borrower to provide collateralization greater than 100 percent of the market value of the securities lent. The securities lent are priced daily. On June 30, 2009, the fair value of the securities on loan

was \$24.3 billion. The securities lending program incurred an unrealized loss in the re-invested cash collateral securities of \$658.1 million, which is included in the Net Depreciation in Fair Value of Investments in the Statement of Changes in Fiduciary Net Assets.

In the event that a borrower fails to return the securities or fails to remit income distributions by the securities' issuers to CalPERS while the securities are on loan, the agent is responsible for the associated costs. Securities on loan can be recalled on demand by CalPERS, and loans of securities may be terminated by CalPERS or the borrower. CalPERS may enter into term loan agreements which are evaluated on an individual basis.

The cash collateral is invested in accordance with CalPERS investment guidelines in short-term, fixed income securities. The financial turmoil over the past year has adversely affected the financial markets. In particular, securities lending cash collateral reinvestment pools have experienced significant pressures caused by unprecedented market illiquidity. This turmoil has resulted in the decline in CalPERS cash collateral reinvestments. As a result, the fair value of the cash collateral reinvestment is lower than the cash collateral liability as of June 30, 2009. Cash collateral received is reported as Security Lending Obligation on the Statement of Fiduciary Net Assets. Re-invested cash collateral is reported as Security Lending Collateral on the Statement of Fiduciary Net Assets and is being reported at fair value at June 30, 2009. Currently, eSec and CalPERS manage the cash collateral. During the fiscal year, CalPERS and the borrowers maintained the right to terminate all securities lending transactions on demand. Because the loans were terminable at will their duration did not generally match the duration of the investments made with the cash collateral. At June 30, 2009, the weighted duration difference between the cash collateral investments and these loans was 18 days.

Beginning on page 53 investment risk schedules disclose CalPERS investments subject to certain types of risk, pursuant to GASB Statement 40. Each schedule discloses investments of all funds managed by CalPERS subject to each type of risk. Some securities are held in internally-managed investment pools shared by all funds.

Custodial Credit Risk

CalPERS does not have any funds or deposits that are not covered by depository insurance, which are either uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent, but not in CalPERS name. CalPERS does not have any investments that are not registered in the name of CalPERS and are either held by the counterparty or the counterparty's trust department or agent, but not in CalPERS name, except for two investment portfolios of the IRC 457 and SCPE, which are held in the name of State Street Global Advisors (SSgA).

Concentration of Credit Risk

CalPERS does not have investments in any one issuer which represent 5 percent or more of total fair value of all investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. This risk is managed within the portfolios using the effective duration or option-adjusted methodology. The System's investment policies require the option-adjusted duration of the total fixed income portfolio to stay within 20 percent of the option-adjusted duration of its benchmark (Barclay's Long Liability Index). All individual portfolios are required to maintain a specified level of risk relative to their benchmark. Risk exposures are monitored daily. These are reported grouped by effective duration ranges.

The System invests in securities with contractual cash flows, such as asset backed securities, collateralized mortgage obligations and commercial mortgage backed securities, including securities backed by residential and commercial mortgage loans. The value, liquidity and related income of these securities are sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

Credit Risk

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The System's investment policies establish general as well as specific risk measures for the fixed income portfolio. From the most general perspective, 80 percent of the total fixed income portfolio must be invested in investment-grade securities.

Investment-grade securities are those fixed income securities with a Moody's rating of AAA to BAA or a Standard & Poors rating of AAA to BBB. Each portfolio is required to maintain a specified risk level. Portfolio exposures are monitored daily.

Foreign Currency Risk

Foreign currency risk is defined as any deposits or investments that are denominated in foreign currencies, which bear a potential risk of loss arising from changes in currency exchange rates. The System's asset allocation and investment policies allow for active and passive investments in international securities. The System's target allocation is to have 40 percent of total global equity assets invested in international equities and 8.5 percent of total fixed income invested in international securities. Real estate and alternative investments do not have a target allocation for international investments. The System uses a currency overlay program to reduce risk by hedging approximately 25 percent of the developed market international equity portfolio. Currency exposures are monitored daily.

CalPERS – Debt Security Investments

Subject to Interest Rate Risk (Dollars in Thousands)

Debt Security Type	Fair Value June 30, 2009	Percent of All Debt Securities	Portfolio Weighted Average Effectuated Duration (Years)
U.S. Treasuries & Agencies	\$9,444,878	17.6%	11.39
Mortgages	16,360,991	30.4	5.11
Corporate	14,503,981	27.0	8.49
Asset Backed	6,924,443	12.9	2.43
Private Placement	64,407	0.1	5.28
International	4,979,200	9.2	7.39
Commercial Paper	28,113	0.1	6.19
State Street Bank Pool			
Investment	199,366	0.4	3.00
Commingled	15,664	0.0	2.86
No Effective Duration:			
International	35,942	0.1	N/A
Commingled	738,860	1.4	N/A
Commercial Paper	9,418	0.0	N/A
Corporate	69,548	0.1	N/A
Asset Backed	203,324	0.4	N/A
SWAPS	5,872	0.0	N/A
Mortgages	95,188	0.2	N/A
Private Placement	40,028	0.1	N/A
TOTAL¹	\$53,719,223	100.00%	

CalPERS invested in the State Treasury pool and State Street Bank Global Advisors' (SSgA) short-term investment fund. These investments are included as part of the short-term investment line item on the financial statements. At June 30, 2009, the pool money investment account with the State Treasury totaled approximately \$1.7 billion and the short-term investment fund with SSgA totaled approximately \$11.1 billion. The weighted average maturity is 235 days for the State Treasury pool and 197 days for the SSgA short-term investment fund.

Note:

¹ This table represents the fair value of investments in the fixed income portfolios. The debt securities investments line item in the statement of fiduciary net assets and the statement of net assets are reported at net asset value which includes accruals for certain unitized portfolios.

CalPERS – Securities Lending Collateral

Subject to Interest Rate Risk (Dollars in Thousands)

Security Type	Fair Value June 30, 2009	Percent of All Securities Lending Collateral	Portfolio Weighted Average Effectuated Duration (Years)
Asset Backed Securities	\$12,152,565	49.9%	1.25
Corporate	2,848,980	11.7	0.10
Special Purpose Entities	1,701,833	7.0	0.10
Bank Sponsored SIVs	1,049,231	4.3	0.04
Floating Rate CMBS	950,263	3.9	1.37
Mutual Funds	225,040	0.9	1.37
No Effective Duration:			
Money Market Fund ²	3,389,510	13.9	N/A
Repurchase Agreement	1,450,000	6.0	N/A
Commercial Paper	580,180	2.4	N/A
TOTAL¹	\$24,347,602	100.0%	

Notes:

¹ This table represents the fair value of investments in the securities lending collateral.

² Of the Money Market Fund total, \$252,396 is invested in a SEC registered 2(a)-7 Money Market Fund with a weighted average maturity of 46 days.

Notes to the Basic Financial Statements (continued)

CalPERS – Debt Security Investments Subject to Credit Risk (Dollars in Thousands)

Moody's Quality Rating	Fair Value	Fair Value as a Percent of Total Debt Security Investments
AAA	\$20,177,491	37.5%
AA-1	270,978	0.5
AA-2	1,330,275	2.5
AA-3	723,436	1.3
A-1	1,113,988	2.1
A-2	1,941,022	3.6
A-3	1,747,938	3.3
BAA-1	3,147,464	5.9
BAA-2	2,515,905	4.7
BAA-3	1,435,352	2.7
BA-1	987,896	1.8
BA-2	471,170	0.9
BA-3	332,198	0.6
B-1	92,854	0.2
B-2	102,814	0.2
B-3	322,773	0.6
CAA	41,018	0.1
CA	75,332	0.1
C	2,583	0.0
NA ¹	9,087,754	16.9
NR ²	7,798,982	14.5
TOTAL³	\$53,719,223	100.0%

CalPERS invested in the State Treasury pool and State Street Bank Global Advisors' (SSgA) short-term investment fund. These investments are included as part of the short-term investment line item on the financial statements. At June 30, 2009, the pool money investment account with the State Treasury totaled approximately \$1.7 billion and the short-term investment fund with SSgA totaled approximately \$11.1 billion. These investments are not rated.

Notes:

- ¹ NA represents those securities that are not applicable to the rating disclosure requirements.
- ² NR represents those securities that are not rated.
- ³ The above table represents the fair value of investments in the fixed income portfolios. The debt securities investments line item in the statement of fiduciary net assets and the statement of net assets are reported at net asset value which includes accruals for certain unitized portfolios.

CalPERS – Securities Lending Collateral Subject to Credit Risk (Dollars in Thousands)

Moody's Quality Rating	Fair Value	Fair Value as a Percent of Total Debt Security Investments
AAA	\$14,450,826	59.4%
AA-1	956,612	3.9
AA-2	1,965,990	8.1
AA-3	364,133	1.5
A-1	1,948,635	8.0
A-2	568,993	2.3
A3	682,241	2.8
BAA-1	4,010	0.0
BAA-2	267,762	1.1
BAA-3	43,791	0.2
BA1	27,223	0.1
BA-2	77,931	0.3
BA-3	109,122	0.4
B-2	72,584	0.3
B-3	76,942	0.3
CAA-1	2,947	0.0
P-1	1,450,000	6.0
NR ^{1,2}	1,277,860	5.3
TOTAL³	\$24,347,602	100.0%

Notes:

- ¹ NR represents those securities that are not rated.
- ² This figure includes the \$252,396 invested in a SEC registered 2(a)-7 Money Market Fund.
- ³ The above table represents the fair value of investments in the securities lending collateral portfolio.

Notes to the Basic Financial Statements (continued)

CalPERS – International Investment Securities | At Fair Value at June 30, 2009 (U.S. Dollars in Thousands)

Investment securities of all CalPERS managed funds that are subject to foreign currency risk.

Currency	Equity	Alternative Investments	Fixed Income	Real Estate	Cash	Total
Argentine Peso	\$ —	\$ —	\$ —	\$ —	\$33	\$33
Australian Dollar	2,065,370	40,572	174,188	14,799	20,487	2,315,416
Brazilian Real	1,225,728	—	80	—	15,718	1,241,526
British Pound	5,989,829	4,319	321,748	124,818	64,253	6,504,967
Canadian Dollar	2,587,188	157,725	26,046	1,580	13,114	2,785,653
Chilean Peso	120,938	—	—	—	1,978	122,916
Columbian Peso	34,506	—	—	—	89	34,595
Czech Koruna	66,919	—	—	—	1,221	68,140
Danish Krone	334,841	371	102,964	—	868	439,044
Egyptian Pound	77,069	—	—	—	316	77,385
Euro Currency	10,878,672	1,520,151	1,785,597	16,228	62,938	14,263,586
Hong Kong Dollar	2,515,324	—	—	29,758	43,215	2,588,297
Hungarian Forint	67,276	—	18,340	—	6,150	91,766
Indian Rupee	596,637	—	—	—	8,520	605,157
Indonesian Rupiah	223,599	—	—	—	721	224,320
Israeli Shekel	241,330	975	—	—	4,257	246,562
Japanese Yen	6,772,039	935,055	1,178,129	31,493	121,542	9,038,258
Malaysian Ringgit	260,389	—	—	—	7,113	267,502
Mexican Peso	292,769	—	48,084	—	9,280	350,133
Moroccan Dirham	19,849	—	—	—	456	20,305
New Taiwan Dollar	984,747	—	—	—	31,526	1,016,273
New Turkish Lira	282,542	—	—	—	10,735	293,277
New Zealand Dollar	39,375	—	4,853	2,235	1,807	48,270
Norwegian Krone	313,230	—	—	—	5,578	318,808
Pakistan Rupee	16,375	—	—	—	139	16,514
Peruvian Nouveau Sol	13,595	—	—	—	1,380	14,975
Philippine Peso	38,432	—	—	—	2,636	41,068
Polish Zloty	75,750	—	66,293	—	1,186	143,229
Singapore Dollar	470,639	—	—	34,042	8,703	513,384
South African Rand	825,916	—	—	—	69,006	894,922
South Korean Won	1,273,331	—	—	—	37,860	1,311,191
Sri Lanka Rupee	—	—	—	—	3	3
Swedish Krona	820,559	—	67,715	—	10,062	898,336
Swiss Franc	1,993,779	182	—	7,351	7,450	2,008,762
Thailand Baht	170,908	—	—	—	7,129	178,037
TOTAL	\$41,689,450	\$2,659,350	\$3,794,037	\$262,304	\$577,469	\$48,982,610

Notes to the Basic Financial Statements (continued)

Real Estate

Real estate investments are classified as investments in accordance with GASB Statement 25. Certain real estate investments are leveraged whereby partnerships have been established to purchase properties through a combination of contributions from CalPERS and other investors and through the acquisition of debt. At June 30, 2009, real estate equities of approximately \$30.1 billion are reported at estimated fair value. Of this amount, \$13.5 billion is equity and \$13.2 billion is long-term mortgages payable, and \$3.4 billion is other short-term liabilities.

Required repayment of real estate debt, which includes both recourse and non-recourse debt, is as follows:

Required Repayment of Real Estate Debt

(Dollars in Thousands)

Debt Matures Year Ending June 30	Amount
2010	\$2,646,679
2011	2,493,306
2012	2,078,568
2013	1,824,762
2014	973,603
2015–2019	2,140,243
2020–2024	222,717
2025–2029	69,497
2030–2034	264,306
2035–2037	509,597
GRAND TOTAL	\$13,223,278

Other Investment Income

Total other investment income earned by the PERF in the 2008-09 fiscal year is \$120.0 million. This total consists of income from securities litigation, sale of fractional shares, other miscellaneous income earned across all other investment portfolios, amortization income earned in the fixed income portfolios, and a negative \$0.3 million from the directed brokerage program.

Term Asset-Backed Securities Loan Facility (TALF)

CalPERS participated in two auctions of the Federal Reserve Bank of New York's (the Fed's) Term Asset-Backed Loan Facilities Program (TALF). The Fed created the TALF to help market participants meet the credit needs

of households and small businesses by supporting the issuance of certain asset-backed securities and commercial mortgage-backed securities. TALF loans are non-recourse loans that are collateralized by newly or recently originated securities that meet specific credit quality and other program requirements.

In March and May 2009, CalPERS borrowed \$1.5 billion and \$3.9 billion, respectively, through the TALF program. The proceeds of the TALF loans, along with \$0.4 billion of CalPERS resources, known as the "6 percent haircut," were used to purchase \$5.8 billion in qualified asset-backed securities (ABS), which serve as collateral for the loan. The TALF loans have a three-year maturity and bear interest at the three-year LIBOR swap rate plus 100 basis points. ABS collateral is held by the Fed's custodian bank in CalPERS name. Interest earned on the ABS collateral is pledged toward the repayment of interest on the TALF loans. Upon the loan maturities, CalPERS may repay the loans or surrender the entire ABS collateral to the Fed in lieu of loan repayment. Prepayment, in full or in part, will result in the Fed's release of a pro-rata share of the ABS collateral.

The required monthly interest payment based on the June 30, 2009 LIBOR rate is \$3.2 million which is payable through loan maturity. Future required interest payments can fluctuate depending on the LIBOR rate and the outstanding loan balance.

5. CONTRIBUTIONS & RESERVES

Employer Contributions Actuarially Determined & Contributions Made

Employer contributions are calculated as a percentage of employer payrolls. OPEB plan employer contributions are voluntarily determined by the employer and there are no long-term contracts for contributions. The payroll for employees covered by the PERF, JRF, and JRF II in 2008-09 was approximately \$45.1 billion, \$137.8 million, and \$194.5 million, respectively.

Actuarial Valuations

Actuarial valuations are used to determine the cost of pension benefits payable to the members of CalPERS who participate in the PERF, the Legislators' Retirement Fund

(LRF), the Judges' Retirement Fund (JRF), and the Judges' Retirement Fund II (JRF II) as well as the related required contribution rates. The actuarial valuations include a number of significant assumptions, including the actuarial valuation method used, the asset valuation method, the rate of return on the investment portfolio, rate of inflation, projected salary increases, post-retirement benefit increases, and the life expectancy of members and beneficiaries.

The actuarial cost method used for accounting purposes for the PERF, LRF, and JRF is the Individual Entry Age Normal cost method. The cost method used for funding LRF and JRF and for calculating the Annual Required Contribution is the Aggregate Actuarial Cost method. The actuarial cost method used for the JRF II is the Aggregate Entry Age Normal cost while the CERBTf allows the use of either the Entry Age Normal or the Projected Unit Credit cost method for its participating plans. All these methods are projected benefit cost methods that take into account those benefits that are expected to be earned in the future, as well as those already accrued.

To amortize any unfunded actuarial liabilities, the PERF and the JRF II use the level percentage of payroll method. Employers participating in the CERBTf have the option of either using a level dollar or level percentage of payroll method to amortize their unfunded actuarial liabilities. Since LRF and JRF use the Aggregate Actuarial Cost method for calculating the Annual Required Contribution, the unfunded liability is not separately identified nor amortized.

The significant actuarial assumptions used to determine the 2008-09 actuarially required contributions (ARC) were the same as those used to compute the actuarial accrued liability at June 30, 2008, except for the JRF actuarially assumed net investment rate of return, which was changed from 7.0 percent to 4.5 percent. The 2008 actuarial valuations were used to set the actuarially determined contribution requirements for different fiscal years. For the PERF, the 2008 actuarial valuations were used to set the actuarially determined contribution requirements for 2009-10 for the State and School employers, while the 2008 valuations were used to set the actuarially determined contribution requirements for 2010-11 for public agencies. For the JRF, JRF II and LRF, the 2008 actuarial valuations were used

to set the actuarially determined contribution requirements for 2009-10. The CERBTf uses assumptions similar to the pension plans with the addition of the Health Cost Trend Rate assumption.

Restrictions on Net Assets Available for Benefits

Included in the Net Assets Held in Trust for Pension Benefits is a restricted reserve that, by law, is retained in the PERF and LRF as a reserve against deficiencies in interest earned, potential losses under investments, court-mandated costs, and actuarial losses resulting from terminations, mergers, or dissolutions of contracting agencies. This reserve cannot exceed 0.2 percent of total assets of the PERF and the LRF, and totaled approximately \$375.7 million and \$230 thousand as of June 30, 2009, for the PERF and LRF, respectively.

PERF

Actuarial valuations of the PERF are performed annually. The last valuation was performed as of June 30, 2008, for the State, schools, and public agencies.

The total 2008-09 net retirement contributions for the PERF amounted to approximately \$10.8 billion, of which \$6.9 billion (the actuarially determined annual required contribution) came from 1,569 employers and approximately \$3.9 billion came from nearly 821,000 members. The contributions to the PERF were for the retirement program, the 1959 Survivor Program, and the Group Term Life Insurance Program. For the retirement program, the average employer normal cost is 10.699 percent of covered payroll, and amortization of the unfunded liabilities is 4.920 percent of covered payroll. These figures are averages for all employers. The actual figures vary by each employer's plan. The current financial market volatility has impacted the PERF and will continue to impact future employer rates. In response to this, the CalPERS Board has adopted a new smoothing policy which will be implemented in the June 30, 2009 valuation.

LRF

The current contribution requirements of the LRF are based on actuarially determined rates promulgated as part of legislation passed in 1977.

Actuarial valuations of the LRF are required to be carried out at least every two years. The Board of Administration utilizes these actuarial valuations to make recommendations to the State for financing the Fund. For the fiscal year ending June 30, 2009, there was no statutory contribution required based on the June 30, 2007 valuation.

JRF

Contributions made by the State of California to the JRF are made pursuant to State statute and are not actuarially determined; however, an actuarial valuation of the JRF assets and liabilities is performed every year and is used by CalPERS to make recommendations for financing the JRF.

The California law which states that on and after January 1, 2004, the JRF shall be funded and actuarially sound was amended in conjunction with the adoption of the Judges' Retirement System II Law, which, among other provisions, eliminated the requirement that the JRF be funded and actuarially sound. Recommendations to achieve the necessary level of contributions have been submitted by the CalPERS Board to the Legislature.

As of June 30, 2009, funding was provided from the following sources to meet benefit payment requirements:

- **Member Contributions** — 8 percent of applicable member compensation;
- **Employer Contributions** — 8 percent of applicable member compensation;
- **Filing Fees** — Varying amounts depending on fee rate and number of filings;
- **Investments** — Current yield on short-term investments;
- **State of California "Balancing Contributions"** — An amount required by the Judges' Retirement Law, at least equal to the estimated benefits payable during the ensuing fiscal year less the sum of 1) the estimated member contributions during the ensuing fiscal year and; 2) net assets available for benefits at the beginning of the fiscal year.

Under the pay-as-you-go basis, short-term investments, as well as contributions received during the year and a State General Fund augmentation, are used to provide funding for benefit payments. This funding method is generally more expensive in the long term, as the fund does

not have investment returns generated by a funded plan. Without the State General Fund augmentation, the JRF will not be able to pay the accumulated benefit payments due in 2010. Management and legal counsel believe the State of California is legally required to provide these required contributions to fund the benefits.

For the year ended June 30, 2009, the actual contributions made by the State to the JRF were approximately \$190.5 million, which is significantly less than the actuarially determined annual required contribution of approximately \$790.9 million.

Because current contributions are used to make benefit payments, the fund does not retain the accumulated contributions of active members. The cumulative contributions for all currently active members since inception were approximately \$199.1 million at June 30, 2009, which exceeded Net Assets Held in Trust for Pension Benefits by approximately \$152.7 million at June 30, 2009.

JRF II

Actuarial valuations for the JRF II are required to be carried out annually. The legislated State contribution rate will be adjusted periodically as part of the annual Budget Act in order to maintain or restore the actuarial soundness of the fund. The last actuarial valuation was performed as of June 30, 2008.

For the year ending June 30, 2009, the statutory employer contribution rate was 20.227 percent based on the June 30, 2007 actuarial valuation. Therefore, for the year ended June 30, 2009, the contributions made by the State to the fund were approximately \$39.5 million, which is less than the actuarially determined required contributions of approximately \$42.9 million.

CERBTf

The actuarial valuations for the CERBTf are conducted by outside actuarial firms engaged by participating employers that must base their valuations on the CalPERS OPEB Assumption Model. This model requires the use of actuarial methods and assumptions similar to those employed for the PERF, except in addition to Entry Age Normal, the use of Projected Unit Credit is allowed. An additional assumption used for the CERBTf is the health care cost trend rate. The actuarial valuation esti-

mates the cost of future health and other post-employment benefit insurance premiums for current and retired participating employees.

The total 2008-09 actual net OPEB employer contribution from 196 participating employers was \$595.6 million, compared to the actuarially determined annual required contribution of 7.8 percent of covered payroll, or \$611.6 million. This amount includes the \$367.2 million in contributions made to the CERBTF, plus another \$228.4 million in retiree health care premiums paid by employers directly to providers, implicit rate subsidies, and other GASB 45 compliant costs recognized by employers as contributions toward the Annual Required Contribution (ARC) and excludes \$10.4 million of actual contributions made to the CERBTF that were treated as existing assets for purposes of calculating the annual required contribution.

CERBTF calculations are based upon plan benefits defined by the Public Employees Hospital Care Act (PEMHCA) in effect at the time of the valuations. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of future employer and employee cost sharing.

6. COMMITMENTS

At June 30, 2009, CalPERS total capital commitments was \$93.3 billion. Of this amount, \$34.0 billion remained unfunded and is not recorded on the CalPERS Statement of Fiduciary Net Assets. The following table depicts the total commitments and unfunded commitments, respectively, by asset class.

Total Commitments and Unfunded Commitments by Asset Class (Dollars in Thousands)

Asset Class	Total Commitments	Unfunded Commitments
Equity (Corporate Governance)	\$5,062,000	\$959,000
Inflation Linked	2,750,000	367,160
Real Estate	27,507,015	10,046,784
Alternative Investments	57,996,118	22,673,187
TOTAL	\$93,315,133	\$34,046,131

7. CONTINGENCIES

CalPERS has entered into agreements with a number of issuers of non-taxable debt to provide payment of principal and interest in the event of non-payment. CalPERS is paid a quarterly fee over the term of the agreement for each transaction. The majority of the transactions are supported by collateral, letters of credit from banks or bond insurers for repayment. As of June 30, 2009, the credit enhancement program had contingent liabilities of approximately \$2.3 billion and net fee income of approximately \$6.6 million.

CalPERS is a defendant in litigation involving individual benefit payment and participant eligibility issues and arising from its normal activities. In the event of an adverse decision, any payments awarded by the courts would be recovered by CalPERS through prospective adjustments to the employer contribution rate. Based upon consultation with legal counsel, management believes there will be no material adverse effect on the basic financial statements as a result of the ultimate outcome of these matters.

However, the LRF is a defendant in litigation involving the payment of survivor death benefits and interest to a deceased retiree's surviving spouse in the amount of \$6.4 million. The matter is currently on appeal with the Supreme Court of the State of California.

8. HEALTH CARE FUND

Basis for Estimated Liabilities

The Public Employees' Health Care Fund (HCF) establishes claim liabilities based on estimates of the ultimate costs of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been "incurred but not reported" (IBNR). The estimated claims liability was calculated by Blue Cross, the HCF's third-party administrator, at June 30, 2009, using a variety of actuarial and statistical techniques and adjusted for actual experience to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. The estimated claims liability of \$216.6 million is carried at

Notes to the Basic Financial Statements (continued)

its face amount, and no interest discount is assumed. The IBNR portion represents an estimate for claims that have been incurred prior to June 30, 2009, but have not been reported to the HCF.

Anticipated Investment Income and Reinsurance

Anticipated investment income is not included in the annual premium requirement for HCF members. Also, the HCF has not entered into any reinsurance or excess insurance agreements.

The following represents changes in the aggregate estimated claims liabilities of the HCF for the years ended June 30, 2009 and 2008.

Changes in the Aggregate Estimated Claims Liabilities of the HCF (Dollars in Thousands)

For the Year Ending June 30	PERSCare/PERS Choice	
	2009	2008
TOTAL ESTIMATED CLAIMS AT BEGINNING OF FISCAL YEAR	\$188,048	\$173,422
INCURRED CLAIMS & CLAIM ADJUSTMENT EXPENSES		
Provision for Insured Events of Current Fiscal Year	\$1,530,264	\$1,385,438
Decrease in Provision for Insured Events of Prior Years	(68,664)	(70,907)
Total Incurred Claims & Claim Adjustment Expenses	\$1,461,600	\$1,314,531
PAYMENTS		
Claims & Claim Adjustment Expenses Attributable to Insured Events of Current Year	\$1,313,680	\$1,197,390
Claims & Claim Adjustment Expenses Attributable to Insured Events of Prior Fiscal Year	119,384	102,515
Total Payments	\$1,433,064	\$1,299,905
TOTAL ESTIMATED CLAIMS AT END OF FISCAL YEAR	\$216,584	\$188,048

9. LONG-TERM CARE FUND

The Public Employees' Long-Term Care Fund (LTCF) estimate of the funding level to provide for the payment of future claim benefits is predicated upon participation levels that are expected to be achieved by the program. The premiums from the LTCF are recognized during the period covered.

The LTCF establishes the liability for future policy benefits based on the present value of future benefits and expenses less the present value of future premiums. The liability for future policy benefits was calculated by the fund's actuary, using a variety of actuarial and statistical techniques as part of their actuarial review as of June 30, 2009. The actuarial valuations are very sensitive to the underlying actuarial assumptions, including a discount rate of 7.79 percent (the average rate of assumed investment yields in effect for the current year), morbidity, disability continuance, mortality, voluntary termination, and claims expense. Investment losses in fiscal year 2009 resulted in an unfavorable increase in the estimated liability. The total estimated liability for future policy benefits as of June 30, 2009, was \$2.9 billion. Of that amount, \$143.2 million is expected to be paid in fiscal year 2010 and is included in current liabilities.

10. PERF, LRF, JRF, JRF II, AND CERBT F FUNDED STATUS

The following represents the funded status of the CalPERS pension trust funds and the post-employment health care fund as of the most recent valuation date. These actuarial valuations involve estimates of the value and probability assumptions of events far into the future, and these amounts and assumptions are subject to continual revision as actual results are compared to past expectations. Calculations are based on the benefits provided under the terms of the plan in effect and the pattern of cost sharing between employees and the employer. The projection of benefits does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing. These actuarial calculations reflect long-term perspectives and use techniques that are designed to reduce short-term volatility. The most recent actuarial valuations do not reflect significant fiscal year 2009 investment losses. In response to those losses, the CalPERS Board has adopted a new asset smoothing policy which will be implemented in the June 30, 2009 valuation.

The schedule of funding progress is included in the Required Supplemental Schedules section that follows. The as-of dates for the Required Supplemental Schedules of Employer Contributions were June 30, 2007, for PERF State and Schools, LRF, JRF, and JRF II; and June 30, 2006, for the PERF Public Agencies.

Notes to the Basic Financial Statements (continued)

Funded Status¹ of the PERF, LRF, JRF, JRF II, and CERBTf (Dollars in Millions)

Fund	Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) – Entry Age (2)	Unfunded AAL (UAAL) – (Funding Excess) (3) = (2) – (1)	Funded Ratio (1) ÷ (2)	Annual Covered Payroll (4)	UAAL as a % of Covered Payroll (3) ÷ (4)
PERF	6/30/08	\$233,272	\$268,324	\$35,052	86.9%	\$44,236	79.2%
LRF	6/30/08	142	103	(39)	137.9	2	(1,950.0)
JRF	6/30/08	19	3,607	3,588	0.5	111	3,232.4
JRF II	6/30/08	335	367	32	91.3	175	18.3
CERBTf	6/30/09 ²	354	6,336	5,982	5.6	7,848	76.2

Notes:

- 1 The Required Supplemental Schedule of Funding Progress (page 64) immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.
- 2 The June 30, 2009 financial reporting is based on a total of 196 individual actuarial valuations with valuation dates generally ranging from June 30, 2007 to June 30, 2009. As a result, the asset values in this schedule will not equal the asset values on June 30, 2009.

Notes to the Basic Financial Statements (continued)

Actuarial Information | Assumptions used in the most recent actuarial valuations

	PERF	LRF	JRF	JRF II	CERBTf
Valuation Date	June 30, 2008	June 30, 2008	June 30, 2008	June 30, 2008	Varies ⁵
Adoption Date	Various	Various	Various	Various	—
Actuarial Cost Method	Individual Entry Age Normal Cost	Individual Entry Age ⁴ Normal Cost	Individual Entry Age ⁴ Normal Cost	Aggregate Entry Age Normal Cost	Entry Age Normal
Amortization Method	Level Percentage of Payroll	None ²	None ²	Level Percentage of Increasing Payroll	Varies ⁵
Amortization Approach	Closed (Open for Gains and Losses)	None ²	None ²	Closed ³	Varies ⁵
Remaining Amortization Period	27 years for Schools, average of 21 years for Public Agencies, and 21 to 28 years for the State plans	None ²	None ²	Average of 30 years	Varies ⁵
Asset Valuation Method	Smoothing of Market Value	Smoothing of Market Value	Market Value	Smoothing of Market Value	Varies ⁵
ACTUARIAL ASSUMPTIONS					
Net Investment Rate of Return	7.75%	7.00%	4.50% ⁶	7.25%	7.75%
Projected Salary Increases ¹	Varies, based on duration of service	3.25%	3.25%	3.25%	3.25%
Post Retirement Benefit Increase	For State and Schools, 2% or 3% compounded annually For Public Agencies, 2% to 5% compounded annually, depending on the agency plan provisions	3.00%	3.25%	3.00%	—
HEALTH CARE COST TREND RATES:					
Select Period	—	—	—	—	0 – 10 Years
Initial Rate	—	—	—	—	4.00 – 12.00%
Ultimate Rate	—	—	—	—	4.00 – 6.00%

Notes:

¹ Includes inflation at 3.0% for all funds.

² The Aggregate Cost Method does not identify or separately amortize unfunded actuarial liabilities.

³ Payroll has been increased by future new entrants replacing JRS retirements and terminations. The impact of including these new entrants has been determined to not materially impact the ARC amount.

⁴ For funding purposes and the calculation of annual required contributions, the Aggregate Cost Method is used.

⁵ The June 30, 2009 financial reporting is based on a total of 196 individual actuarial valuations with valuation dates generally ranging from June 30, 2007 to June 30, 2009, using both closed and open amortization methods and with most valuations using the current market value of assets and a few smoothing of the market value of assets. For the vast majority of the valuations, the unfunded liability is amortized over 30 years, and the remainder use periods range between 1 year and 29 years.

⁶ The actuarial assumption for the investment rate of return was reduced from 7.0 percent to 4.5 percent to reflect the funding of the JRF on a pay-as-you-go basis.

Financial Section:

Required Supplemental Schedules

- 64 Required Supplemental Schedule of Funding Progress – Pension Trust & OPEB Funds
- 65 Required Supplemental Schedule of Employer Contributions – Pension Trust Funds
- 66 Required Supplemental Schedule of Claims Development Information

Required Supplemental Schedule of Funding Progress – Pension Trust & OPEB Funds

(Dollars in Millions)

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) – Entry Age (2)	Unfunded AAL (UAAL) (Funding Excess) (2)–(1)	Funded Ratio – Actuarial Value of Assets Basis (1)÷(2)	Annual Covered Payroll (3)	UAAL as a % of Covered Payroll [(2)–(1)]÷(3)	Market Value ¹ of Assets (4)	Funded Ratio – Market Value of Assets Basis ² (4)÷(2)
PERF								
6/30/03	\$158,596	\$180,922	\$22,326	87.7%	\$34,784	64.2%	\$144,330	79.8%
6/30/04	169,899	194,609	24,710	87.3	35,078	70.4	167,110	85.9
6/30/05	183,680	210,301	26,621	87.3	36,045	73.9	189,103	89.9
6/30/06	199,033	228,131	29,098	87.2	38,047	76.5	211,188	92.6
6/30/07	216,484	248,224	31,740	87.2	40,864	77.7	251,162	101.2
6/30/08	233,272	268,324	35,052 ³	86.9	44,236	79.2	238,041	88.7
LRF⁴								
6/30/07	\$142	\$102	(\$40)	139.2%	\$2	(2,000.0%)	\$142	139.2%
6/30/08	142	103	(39)	137.9	2	(1,950.0)	134	130.1
JRF^{4,5}								
6/30/07	\$12	\$2,714	\$2,702	0.4%	\$119	2,270.6%	\$12	0.4%
6/30/08	19	3,607	3,588	0.5	111	3,232.4	19	0.5
JRF II								
6/30/03	\$96	\$105	\$9	91.4%	\$87	10.3%	\$91	86.7%
6/30/04	129	138	9	93.5	99	9.1	129	93.5
6/30/05	168	178	10	94.4	112	8.9	172	96.6
6/30/06	213	220	7	96.8	125	5.6	219	99.5
6/30/07	268	295	27	90.8	156	17.3	291	98.6
6/30/08	335	367	32	91.3	175	18.3	325	88.6
CERBTf⁶								
6/30/07	\$11	\$24	\$13	45.8%	\$37	35.1%	\$11	45.8%
6/30/08	48	4,845	4,797	1.0	5,092	94.2	48	1.0
6/30/09 ⁷	354	6,336	5,982	5.6	7,848	76.2	335	5.3

Notes:

- ¹ The market value of assets is used in the June 30, 2008 actuarial valuations and is different from the fair value of assets as described in the footnote 1 to the Supplemental Schedule of Differences in the Actuarial Section.
- ² The funded ratio based on the market value of assets is the true measure of the plan's ability to pay benefits.
- ³ The Unfunded Actuarial Accrued Liability (the total Actuarial Liability in excess of actuarial value of assets) of the PERF by major employer group from the June 30, 2008 valuation is as follows: 1) \$18,355 for the State of California, 2) \$3,926 for schools, and 3) \$12,771 for public agencies.
- ⁴ LRF and JRF are funded using the Aggregate Actuarial Cost Method. The Aggregate Cost Method does not identify actuarial accrued liabilities and funded ratios. For this reason, no funding progress information is available for either the LRF or JRF prior

- to June 30, 2007. Beginning with the June 30, 2007 actuarial valuation, CalPERS is complying with GASB Statement 50, which requires the funding progress to be disclosed using the Entry Age Actuarial Cost Method.
- ⁵ The actuarial assumption for the investment rate of return was reduced from 7.0 percent in the June 30, 2007 valuation to 4.5 percent in the June 30, 2008 valuation to reflect the funding of the JRF on a pay-as-you-go basis.
- ⁶ Only three years of funding progress information is shown because the CERBTf did not exist prior to the 2006-07 fiscal year.
- ⁷ The June 30, 2009 financial reporting is based on a total of 196 individual actuarial valuations with valuation dates generally ranging from June 30, 2007, to June 30, 2009. As a result, the asset values in this schedule will not equal the asset values on June 30, 2009.

Required Supplemental Schedule of Employer Contributions – Pension Trust Funds

Year Ended June 30	PERF Employer Contributions		LRF Employer Contributions	
	Annual Required Contribution	% of Required Contributions Made	Annual Required Contribution	% of Required Contributions Made
2004	\$4,261,347,422	100	\$ — ²	—
2005	5,774,120,281	100	— ²	—
2006	6,095,029,424	100	— ²	—
2007	6,442,383,867	100	— ²	—
2008	7,242,802,002	100	— ²	—
2009	6,912,376,563 ¹	100	— ²	—

Note:

- ¹ The 2007 actuarial valuation was used to set the 2008-2009 PERF Annual Required Contributions for the State and Schools. The 2006 actuarial valuations were used to set the 2008-2009 Annual Required Contributions for Public Agencies.
- ² Based on the June 30, 2007, 2006, 2005, 2004, 2003, and 2002 actuarial valuations, the annual required contributions for the years ended June 30, 2009, 2008, 2007, 2006, 2005, and 2004 were \$0.

Year Ended June 30	JRF Employer Contributions		JRF II Employer Contributions		CERBTf Employer Contributions	
	Annual Required Contribution	% of Required Contributions Made	Annual Required Contribution	% of Required Contributions Made	Annual Required Contribution	% of Required Contributions Made ³
2004	\$194,487,295	55.2	\$18,207,531	100.2	\$ —	—
2005	189,949,846	66.9	22,819,881	92.9	—	—
2006	194,927,817	61.9	25,477,158	94.5	—	—
2007	560,879,874 ¹	23.4	28,506,356	94.9	2,320,693	494.2
2008	623,532,045	26.2	31,673,544	116.1	450,827,057 ²	174.5
2009	790,911,681 ⁴	24.1	42,944,106 ⁴	92.0	611,607,510 ²	97.4

Notes:

- ¹ Prior to fiscal year 2007 a variation of the Aggregate Cost Method was used to determine the ARC. Effective fiscal year 2007 the Traditional Aggregate Cost Method was used to determine ARC.
- ² The 2007-08 and 2008-09 contributions made toward the ARC excludes \$48.9 million and \$10.4 million, respectively, that were contributed to the CERBTf, but were treated as pre-existing assets for purposes of calculating the ARC. The ARC is determined using various valuation dates as explained in Footnote 7 on page 64.
- ³ Beginning with fiscal year 2007-08, the required contributions made include retiree health premiums paid directly to health carriers, OPEB related administrative costs paid outside the CERBTf, and implicit rate subsidy.
- ⁴ The 2006 valuation was used to determine the 2008-09 Annual Required Contributions for the JRF and JRFII.

Required Supplemental Schedule of Claims Development Information

The table on the next page presents the Health Care Fund's (HCF) earned revenues and investment income as well as losses and other expenses over the last 10 years.

Rows one through six contain the following information:

- 1) This line shows the total earned premium revenues and investment revenues for each fiscal year.
- 2) This line shows other HCF operating costs, including overhead and claims expense not allocable to individual claims, for each fiscal year.
- 3) This line shows the HCF's incurred claims and allocated claim adjustment expenses (both paid and accrued) as reported at the end of the policy year. The policy year is the first year in which the triggering event under the contract occurred.
- 4) This section shows the cumulative amounts paid as of the end of each policy year and years succeeding the policy year.
- 5) This section shows re-estimated incurred claims as of the end of each policy year and years succeeding the policy year. Re-estimates are based on new information received on known claims, as well as information on new claims not previously reported.
- 6) This line compares the amount of the re-estimated incurred claims to the amount initially established (line 3), and shows whether the re-estimate is greater or less than projected. As data mature for individual policy years, the correlation between initial estimates and re-estimates is used to evaluate the accuracy of incurred claims currently recognized.

Required Supplemental Schedule of Claims Development Information (continued)

Public Employees' Health Care Fund – June 30, 2009 (Dollars in Thousands)

	Fiscal & Policy Year Ended									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1) Net Earned Required Premium & Investment Revenues	\$472,233	\$581,015	\$747,491	\$947,492	\$1,048,042	\$1,115,172	\$1,229,239	\$1,410,888	\$1,543,643	\$1,608,738
2) Unallocated Expenses	\$35,780	\$41,180	\$43,926	\$50,296	\$58,182	\$65,902	\$67,679	\$74,771	\$78,607	\$85,511
3) Estimated Incurred Claims & Expenses, End of Policy Year	\$537,181	\$599,337	\$684,425	\$854,648	\$940,503	\$1,083,011	\$1,202,409	\$1,268,239	\$1,385,438	\$1,530,264
4) Paid (Cumulative) as of:										
End of Policy Year	\$443,109	\$495,466	\$562,894	\$722,732	\$807,627	\$923,608	\$1,043,346	\$1,094,818	\$1,197,390	\$1,313,680
One Year Later	498,607	554,361	628,405	800,605	883,550	1,012,021	1,146,876	1,197,334	1,316,774	—
Two Years Later	498,607	554,361	628,405	800,605	883,550	1,012,021	1,146,876	1,197,334	—	—
Three Years Later	498,607	554,361	628,405	800,605	883,550	1,012,021	1,146,876	—	—	—
Four Years Later	498,607	554,361	628,405	800,605	883,550	1,012,021	—	—	—	—
Five Years Later	498,607	554,361	628,405	800,605	883,550	—	—	—	—	—
Six Years Later	498,607	554,361	628,405	800,605	—	—	—	—	—	—
Seven Years Later	498,607	554,361	628,405	—	—	—	—	—	—	—
Eight Years Later	498,607	554,361	—	—	—	—	—	—	—	—
Nine Years Later	498,607	—	—	—	—	—	—	—	—	—
5) Re-estimated Incurred Claims & Expenses:										
End of Policy Year	\$537,181	\$599,337	\$684,425	\$854,648	\$940,503	\$1,083,011	\$1,202,409	\$1,268,239	\$1,385,438	\$1,530,264
One Year Later	498,607	554,361	628,405	800,605	883,550	1,012,021	1,146,876	1,197,334	1,316,774	—
Two Years Later	498,607	554,361	628,405	800,605	883,550	1,012,021	1,146,876	1,197,334	—	—
Three Years Later	498,607	554,361	628,405	800,605	883,550	1,012,021	1,146,876	—	—	—
Four Years Later	498,607	554,361	628,405	800,605	883,550	1,012,021	—	—	—	—
Five Years Later	498,607	554,361	628,405	800,605	883,550	—	—	—	—	—
Six Years Later	498,607	554,361	628,405	800,605	—	—	—	—	—	—
Seven Years Later	498,607	554,361	628,405	—	—	—	—	—	—	—
Eight Years Later	498,607	554,361	—	—	—	—	—	—	—	—
Nine Years Later	498,607	—	—	—	—	—	—	—	—	—
6) Decrease in Estimated Incurred Claims & Expenses From End of Policy Year	(\$38,574)	(\$44,976)	(\$56,020)	(\$54,043)	(\$56,953)	(\$70,990)	(\$55,533)	(\$70,906)	(\$68,664)	\$—

Financial Section:

Supplementary Schedules and Agency Funds

- 70 Administrative Expenses – All Funds
- 71 Investment Expenses – PERF
- 77 Consultant & Professional Services Expenses – PERF
- 80 Statement of Changes in Assets & Liabilities – Agency Funds

Administrative Expenses – All Funds

(Dollars in Thousands)

PERSONNEL SERVICES	
Salaries & Wages	\$144,699
Employee Benefits	48,080
Total Personnel Services	\$192,779
CONSULTANT & PROFESSIONAL SERVICES	
State of California Agencies	\$4,588
External Consultants	170,498
Deferred Compensation Management/Custody Fees	(2,012)
Health Plan Administrator Fees	71,212
Long-Term Care Administrator Fees	17,213
Total Consultant & Professional Services	\$261,499
OPERATING EXPENSES & EQUIPMENT	
General Expense	\$5,972
Software	6,495
Printing	1,603
Postage	3,884
Communications	2,044
Data Processing Services	17,731
Travel	2,144
Training	1,735
Medical Examiners	2,070
Facilities Operation	3,522
Central Administrative Services	25,947
CSUS Foundation – Students	3,299
Administrative Hearings	749
Consolidated Data Center	850
Equipment	8,177
Total Operating Expenses & Equipment	\$86,222
OTHER EXPENSES & ADJUSTMENTS	
Depreciation Expense	\$6,499
Increase in Paid Absence Obligation	(225)
Reimbursements	(2,972)
Prior Year & Other Adjustments	23,111
Total Other Expenses & Adjustments	\$26,413
TOTAL ADMINISTRATIVE EXPENSES – ALL FUNDS	\$566,913

Investment Expenses – PERF

External Securities Management Fees (Dollars in Thousands)

External Securities Management Fees & Other Fees

	Net Assets Managed at Fair Value	Fees
EXTERNAL DOMESTIC EQUITY MANAGERS		
Alliance Bernstein, LP (Sanford Bernstein) – SW5I	\$155,810	\$245
Analytic Investors, LLC - SWFJ	343,090	81
Axa Rosenberg Investment Management, LLC – SWDB	93,339	150
Breeden European Partners (California), LP – SWDM	290,929	1,973
Denali Advisors, LLC – SW4S, SW4U, SWGJ	114,739	506
First Quadrant, LP – SWFL	312,967	260
FIS Group, Inc. – SWGY, SWGZ	—	1,098
Golden Capital Management – SW4I, SW4J, SWFA	246,896	209
INTECH Investment Management, LLC – SWAY	236,828	202
J.P. Morgan Investment Management, Inc. – SW5G, SWJE	505,449	265
Leading Edge Investment Advisors, LLC – SWHU, SWHV	—	1,471
Legato Capital Management Ventures, LLC – SWCY, SWCZ	—	765
LM Capital Management, Inc. – SW4X, SW4Y	228,182	290
Marvin & Palmer Associates, Inc. – SWE0	200,229	249
New Amsterdam Partners, LLC – SWDA	57,642	90
Pacific Alternative Asset Management Company, LLC – SW9C	—	100
Piedmont Investment Advisors, LLC – SWFB, SWLS	210,781	347
Progress-Lovell Minnick Advisors, LLC – SW4A	—	453
Progress-Lovell Minnick Ventures, LLC – SW4B	—	161
Pzena Investment Management, LLC – SW5F	127,281	391
Quantitative Management Associates, LLC – SWFN, SWAU	341,122	525
Quotient Investors, LLC – SWHQ, SWHR, SWHS	93,792	739
Redwood Investments, LLC – SWHN, SWJD, SWHO	154,451	580
Relational Investors Mid-Cap Fund I, LP – SWKA	191,599	3,704
Relational Investors, LP – SW2R	823,422	5,155
Research Affiliates, LLC – SWDS	1,722,007	248
Rigel Capital, LLC – SW9U, SW9C, SW9S	135,673	587
Shamrock Activist Value Fund, LP – SWB2	108,607	1,766
Shenandoah Asset Management, LLC – SWCW, SW4N, SW4R	107,038	372
Smith Asset Management Group, LP – SW9X, SW9Y, SW9Z	110,596	232
SSgA Finance – SWDE, SWFO	55,253	60
Strategic Investment Management, LP – SWDI, SWDJ	—	1,649
Stux Capital Management, LLC – SWAH, SWAI	185,095	764
T. Rowe Price – SWB8	374,190	1,211
The Boston Company Asset Mgmt., LLC – SW2E	198,890	317
Turner Investment Partners, Inc. – SWEQ	279,298	331
UBS Alternative and Quantitative Investments, LLC – SWAG	3,968,442	20,619

	Net Assets Managed at Fair Value	Fees
Total External Domestic Equity Managers	\$11,973,637	\$48,165

EXTERNAL DOMESTIC FIXED INCOME MANAGERS

Highland Capital Management, LP – SW8F, SWKU, SWKV	\$7,661	\$2,210
Nomura Corp. Research & Asset Management – SJ25	357,656	1,246
Pacific Investment Management Co. – SWAV	1,107,965	1,190
Total External Domestic Fixed Income Managers	\$1,473,282	\$4,646

GLOBAL EQUITY MANAGERS

Acadian Asset Management – SWCJ	\$398	\$244
Alliance Bernstein, LP – SW8N	663,085	1,388
AQR Capital Management, LLC – SWC0	1,219	361
Arrowstreet Capital, LP – SW6M, SW4D, SW4E	893,615	225
Axa Rosenberg Investment Management, LLC – SW5L	441,983	1,611
Baillie Gifford Overseas, Ltd. – SW6N	698,815	416
Batterymarch Financial Management, Inc. – SWFH, SWGW	651,932	1,610
Breeden European Partners (California), LP – SWLA	25,537	3,335
Dimensional Fund Advisors, Inc. – SW7I	509,711	1,419
Genesis Asset Managers, LLP – SW80	888,795	1,796
Global Currents Investment Management (Brandywine) – SWDH	54,614	84
Grantham, Mayo, Van Otterloo & Co., LLC – SW6J	514,059	365
Lazard Asset Management, LLC – SWFE, SWJN	658,660	2,102
New Star Institutional Managers, Ltd. – SWCB	5	317
Nomura Asset Management, USA, Inc. – SJ25	357,656	40
Pareto Investment Management, Ltd. – SJ70	(139,364)	1,602
Pictet Asset Management, Ltd. – SWFG	372,285	900
Pyramis Global Advisors Holding Co. (Fidelity) – SWGX	599,937	1,196
Pyrford International, PLC – SW4V, SW4W	114,832	107
Research Affiliates, LLC – SWEU, SWFX	1,120,426	249
Sourcecap International, Ltd. – SWKW, SWKX	168,855	417
SSgA Finance – SW1D	(111,814)	1,135
Total Global Equity Managers	\$8,485,241	\$20,919

GLOBAL FIXED INCOME MANAGERS

Alliance Bernstein, LP – SWEY	\$1,059,623	\$951
Baring Asset Management, Inc. - SJ28	357,676	228
Mondrian Investment Partners, Ltd. – SWEW	758,540	1,457
Pacific Investment Management Co. (PIMCO) – SWEX	1,107,965	984
Rogge Global Partners, PLC – SW5B	974,309	699
Total Global Fixed Income Managers	\$4,258,113	\$4,319

Investment Expenses – PERF (continued)

External Securities Management Fees (continued) (Dollars in Thousands)

External Securities Management Fees & Other Fees (continued)

	Net Assets Managed at Fair Value	Fees
INFLATION LINKED ASSET MANAGERS		
Timber International – UBS (Sylvanus) – SWGL	\$261,987	\$1,650
Timberland Lincoln Timber Co. – SWGL	2,000,618	8,649
Alinda Infrastructure Fund I – SWGM	74,651	1,357
CIM Infrastructure – SWGM	9,163	2,908
Carlyle Infrastructure Partner – SWGM	21,914	1,875
Total Inflation Linked Asset Managers	\$2,368,333	\$16,439
Total Inflation Linked Asset Incentive Fees		(\$3,118)
TOTAL EXTERNAL SECURITIES MANAGEMENT FEES & OTHER FEES		\$91,370

External Securities Management Performance Fees

	Fees
EXTERNAL DOMESTIC EQUITY MANAGERS	
First Quadrant, LP – SWFL	\$1,182
Golden Capital Management – SW4I, SW4J, SWFA	2,464
INTECH Investment Management, LLC – SWAY	10
Marvin & Palmer Associates, Inc. – SWEO	192
New Amsterdam Partners, LLC – SWDA	113
Progress-Lovell Minnick Advisors, LLC – SW4A	445
Quantitative Management Associates, LLC – SWFN, SWAU	143
Relational Investors, LP – SW2R	6,282
The Boston Company Asset Management, LLC – SW2E	2,498
Total External Domestic Equity Managers	\$13,329
DOMESTIC FIXED INCOME MANAGERS	
Highland Capital Management, LP – SW8F, SWKU, SWKV	\$7,179
Total Domestic Fixed Income Managers	\$7,179
GLOBAL EQUITY MANAGERS	
Arrowstreet Capital, LP – SW6M, SW4D, SW4E	\$5,183
Axa Rosenberg Investment Management, LLC – SW5L	505
Baillie Gifford Overseas, Ltd. – W6N	2,461
Barclays Global Investors, N.A. – SW9J	69
Batterymarch Financial Management, Inc. – SWFH, SWGW	567
Knight Vinke Institutional Partners I, LP – SW9G	3,546
Lazard Asset Management, LLC – SWFE, SWJN	4,923
Nomura Asset Management, USA, Inc. – SJ25	309
Pictet Asset Management, Ltd. – SWFG	4,698
Pyrford International, PLC – SW4W	345
SSgA Finance – SW1D	222
Total Global Equity Managers	\$22,828
GLOBAL FIXED INCOME MANAGERS	
Baring Asset Management, Inc. – SJ25	\$64
Mondrian Investment Partners, Ltd. – SWEW	1,653
Rogge Global Partners, PLC – SW5B	1,411
Total Global Fixed Income Managers	\$3,128
Total External Securities Management Performance Fees	\$46,464
TOTAL EXTERNAL SECURITIES MANAGEMENT FEES, PERFORMANCE FEES & OTHER FEES	\$137,834

Investment Expenses – PERF (continued)

Real Estate Managers, Advisors & Partners (Dollars in Thousands)

Real Estate Partners Asset Management Fees

	Net Assets Managed at Fair Value	Fees
301 Capitol Mall	\$(13,501)	\$621
AETOS Capital Asia TE	47,500	382
AETOS Capital Asia TE II, Ltd.	148,740	2,735
AEW Capital Partners	90,078	1,323
AEW Senior Housing Company, LLC (SHP)	(33,990)	3,163
AGI TMG Housing Partners I, LLC	(293)	450
American Value Partners Fund I	9,854	1,715
Apollo Real Estate Finance Company	69,572	1,177
Apollo Real Estate Investment Fund II	44,815	1,775
ARA Asia Dragon, Ltd.	182,512	6,897
Black Bear, Ltd.	121,128	2,226
Bridge Urban Infill	20,081	410
Buchanan Urban Investors	183,495	2,814
CalEast LaSalle	1,678,306	19,324
California Smart Growth Fund IV	25,950	1,250
CalSmart, LLC	242,057	2,478
CalWest RREEF	230,400	2,033
Canyon Johnson Urban Fund III, LP	(7,318)	6,753
Capmark Structured Real Estate Partners	22,896	1,500
Capri Urban Capital I, LLC	89,706	2,054
CB Richard Ellis Strategic Partners Europe Fund III	61,894	1,042
CB Richard Ellis Strategic Partners UK Fund III	28,200	1,042
CB Richard Ellis Strategic Partners, UK	10,392	1,077
CIM CA Urban Real Estate	466,295	2,968
CIM Core Urban REIT, LLC	295,916	3,481
CIM Fund III	1,886	8,250
Cityview America Fund I, LLC	2,628	2,500
Cityview LA Urban Fund I, LP	1,164	625
CWP - Bishop Square	95,197	855
DB International Fund 1B	32,221	91
DIVCO West	3,748	31
Fifth St. Properties	53,153	3,511
Fillmore East Fund	11,513	869
Fortress Holiday	43,809	829
Fortress Inv. Fund Deutschland, LP	50,552	1,388
Fortress Investment Fund IV	69,951	760
Fortress RIC Coinvestment Fund	6,904	129
GI Partners Fund II	443,772	5,280
GI Partners Fund III	16,558	5,434
Global Innovation Partners	181,986	736
Global Retail Investors	67,001	1,225
Guggenheim Structured III	68,498	2,481
Guggenheim Structured Real Estate Fund II	0	322
Hampshire Companies	30,267	98
Harbert European Real Estate Fund II, LP	20,089	1,125

	Net Assets Managed at Fair Value	Fees
Hearthstone Housing Partners II, LLC	\$73,021	\$(668)
Hearthstone Housing Partners III, LLC	(33,941)	46
Hearthstone MS II	(1,318)	13
Hearthstone MS III	(3,168)	(118)
Hines CalPERS Brazil Fund	61,291	712
Hines CalPERS Brazil Fund II	41,349	3,325
Hines CalPERS China Fund	(1,081)	1,514
Hines CalPERS Green	20,810	818
Hines CalPERS Mexico Fund II	(33,514)	945
Hines CalPERS Mexico Fund III	0	520
Hines European Development Fund II	(23,748)	377
Hines Mexico Development Fund (HCM Holdings)	17,602	435
Hines Residential Sunbelt Spain Fund	(18,815)	418
Hollywood Park Coinvestment	88,011	641
IHP Fund II, LP A+D	36,439	384
IHP Investment Fund III	434,249	58
IL & FS India Realty Fund II	66,540	2,500
IL & FS India Realty Fund, LLC	107,029	1,458
Institutional Housing Partners, LP	131,574	813
Institutional Mall Investors	1,294,237	11,002
Integral Urban Fund I, LLC	9,305	750
IXIS AEW (European Property Investors)	40,949	971
JER Europe Fund III	5,919	342
JER Latin America Fund I	(6,198)	2,531
JER US Debt Co-Investment	14,235	1,348
Johnson Macfarland Partners	395,062	7,503
Karec CA Development Program, LLC	123,692	1,388
Kennedy Wilson Property Fund II, LP	42,170	800
KSC Affordable Housing	23,680	549
LaSalle Asia Opportunity Fund III	(4,160)	2,996
LaSalle French Fund II, G.P., LLC	39,149	1,033
LaSalle Japan Logistics	183	841
Lowe Resort Community Fund, LLC	1,351	220
Market Street Capital Partners, LP	29,424	1,315
Meriwether Farms, LLC	69,966	977
MGP Asia Fund II	70,408	1,156
MGP Europe Parellel Fund II	47,111	1,178
MW Housing Partners III, LP	35,805	15,207
MW Housing Partners III, LP (Lennar OBS)	2,490	817
MWHP New Faze	9,945	126
National Office Partners	459,385	7,716
Next Block Medical	47,596	1,250
Niam Nordic Fund III	46,120	627
Niam Nordic Investment Fund IV	44,713	1,857
ORA Multi Family Investment I	(14,749)	288
ORA Residential Investments (Olympic)	41,921	4,407

Investment Expenses – PERF (continued)

Real Estate Managers, Advisors & Partners (continued)

(Dollars in Thousands)

Real Estate Partners Asset Management Fees (continued)

	Net Assets Managed at Fair Value	Fees
Pacific City Home	\$63,767	\$9,314
Pacific Vineyard Partners	86,968	1,272
Page Mill Properties II, LP	60,144	1,118
PLA Residential Fund	31,232	215
PLA Retail Fund I	65,062	1,513
Preco III	49,577	760
Principal Mortgage Value Investors	16,395	81
RLJ Real Estate Fund III	4,109	3,874
RLJ Urban Lodging Fund II	75,424	1,063
Rockpoint Real Estate Fund II, LP	20,122	558
Rockpoint Real Estate Fund III	17,187	3,370
RREEF Global Opportunities Fund II, LLC	118,657	2,447
San Diego Smart Growth Fund	0	875
Savanna Real Estate Fund I, LP	47,002	87
SDL Hospitality Co-Invest Fund	172,937	409
Secured Capital Japan I	9,299	63
Secured Capital Japan II	81,863	987
Secured Capital Japan Real Estate Partners Asia, LP	334,154	3,599
Senior Housing UK Investment II	5,191	167
SHEA Capital II, LLC	0	(75)
Starwood Capital Hospitality Fund I	196,176	2,267
Starwood Capital Hospitality Fund II	(5,256)	2,318
StockBridge Real Estate Fund II	29,671	846
Strategic Partners Value Enhancement Fund	48,515	750
Sun Apollo India Real Estate Fund	14,653	875
TPG Hospitality Investments IV	(21,806)	1,454
Urban America, LP II	64,035	1,228
Wells Fargo Housing Fund	30,697	(827)
Western Multifamily SSR	1,057,056	12,627
Windsor Realty Fund III GID	87,840	1,512
Windsor Realty Fund VII, LP	14,916	625
Xander IFCPL Co-Investment	98,307	3,506
Xander JV Fund	2,371	500
Total Real Estate Partners Asset Management Fees	\$11,923,886	\$249,993
Real Estate Partners Incentive Fees		(\$38,084)
Credit Enhancement Program		\$634
AIM Distributed Stock Management Fees		\$298
Internal Mortgage Loan Fees		\$1,437
TOTAL REAL ESTATE PARTNERS, AIM, MORTGAGES & CEP		\$214,278

Other Investment Consultants (Dollars in Thousands)

Consultant Fees

	Fees
13D Research, Inc.	\$50
Altman Group Inc.	15
Altura Capital Group	5
American Stock Exchange, LLC	2
Axioma, Inc.	114
Bard Consulting, LLC	781
Barra, Inc.	1,322
BCA Research, Inc.	75
Blackrock Financial Management, Inc.	5,420
Bloomberg Finance, LP	1,641
Cambridge Associates, LLC	26
Capital IQ	45
Centre for Asia Private Equity	6
Chicago Board Options Exchange, INC/OPRA	2
Clarifi Pure Quant	90
Corporate Library, LLC (The)	232
Cost Effectiveness Measurement, Inc.	30
Courtland Partners, Ltd.	34
David Bonuccelli & Associates, Inc.	200
Depository Trust & Clearing Corporation	1
Dow Jones & Company, Inc.	17
DTCC - Fixed Income Clearing Corporation	4
Eagle Management Group	18
Edgar Online, Inc.	2
Egan-Jones Proxy Services	1
Enclipse	215
Equilar, Inc.	7
European Private Equity & Venture Capital Assoc.	5
eVestment Alliance, LLC	27
Factset Research Systems, Inc.	1,236
Financial Engines, Inc.	125
FirstRain	10
Fitch Information, Inc.	239
Fitch Training	17
Fitch, Inc.	50
FTSE International, Ltd.	12
FX Alliance, LLC	28
Glass Lewis & Co., LLC	466
Heidricks	150
Houlihan Lokey Howard & Zukin Fin Adv., Inc.	48
I.H.S. Global, Inc.	52
Informa Investment Solutions, Inc.	1
Insignis, Inc.	58
Institutional Shareholder Services, LOC No. 2	50
International Fund Services	2,430

Investment Expenses – PERF (continued)

Other Investment Consultants (continued) (Dollars in Thousands)

Consultant Fees (continued)

	Fees		Fees
Intex Solutions, Inc.	\$199	Quantative Services Group, LLC	\$170
Intuit Real Estate Solutions	759	Quantal International, Inc.	45
Investorcom, Inc.	23	Quantstar Company, LLC	162
ISI Group, Inc.	38	R & G Associates, Inc.	44
JDM Associates, LLC	89	Results Group	37
Kearnford Applications System Design	176	Reuters America, LLC	2
Kiefer Consulting	243	Richards & Tierney, Inc.	56
KLD Research & Analytics, Inc.	246	Ridgeway Partners, LLC	58
Korn/Ferry	485	Rise Vision, Inc.	1
KPMG, LLC	202	RiskMetrics Group, Inc.	178
Lan Do & Assoc.	50	Robert E. Ginis DBA GP Analytics	240
Le Plastrier Consulting Group, Inc.	1,295	Russell Investment Group	21
Lipper, Inc.	7	Russell Investments	85
Logical Information Machines, Inc.	33	Situs Realty Services	174
London Stock Exchange, PLC	3	Standard & Poor's	125
LP Capital Advisors	4,129	Standard & Poor's - Clarifi	9
Markets.com, LLC	45	Standard & Poor's - Index/Alert	34
Mathworks, Inc.	98	Standard & Poor's - Market QA	25
Mayer Hoffman McCann PC	19	Standard & Poor's - Rating Direct	57
Mcube Investment Technologies, LLC	73	Standard & Poor's - Tobacco Free Tax	10
Mellon Investor Services	75	Standard & Poor's Corporation, LOC No. 1	206
Moody's Analytics, Inc.	270	State Street Bank & Trust Company	45
Moody's Investors Service	77	State Street California, Inc.	1,459
Morningstar, Inc.	11	State Street Corporation	345
Mosaic Investment Advisors	204	StockBridge Capital Group	385
Nuveen Investment Solutions, Inc. (Richards & Tierney, Inc.)	56	Strategic Economic Decisions, Inc.	15
NYSE Market, Inc.	34	Strategic Investment Solutions, Inc.	19
Omgeo, LLC	153	Super Derivatives, Inc.	20
Org Portfolio Management, LLC	127	Thomson Financial, LLC	80
Oxford Analytica, Inc.	31	Thomson Financial/Nelson-Datastream	3
Pacific Community Ventures	161	Thomson-Baseline Financial Services	3
Parent Contract/AIM Vendor Pool	1,396	Trinity Technology Group	329
Parent Invt. Corp. Governance Proxy	112	TSX Group	2
Parent Invt. Corp. Governance Research	228	Virtcom Consulting	40
Parent Invt. Diversity Consultant	18	Wilshire Associates, Inc.	4,603
Parent Invt. Pool Contracts	851	Zephyr Associates, Inc.	37
Parent Invt. RE/Special Project	750	Total Consultant Fees	\$42,425
Parent Invt./HRD Executive Search	575		
Pension Consulting Alliance, Inc.	3,322		
Plexus Plan Sponsor - ITG	31		
Principal Global Investors, LLC	465		
Property & Portfolio Research, Inc.	150		
Propoint Technology, Inc.	341		
Proxy Governance, Inc.	77		
Pyramid Technical Consultants, LLC	215		

Investment Expenses – PERF (continued)

Other Investment Consultants (continued) (Dollars in Thousands)

Attorneys & Master Custodian

	Fees
Adorno Yoss Alvarado & Smith	\$4
Chapman & Cutler	274
Covington & Burling	340
Cox, Castle & Nicholson, LLP	446
Felderstein, Willoughby & Pascuzzi, LLP	410
Foster, Pepper & Shefelman, PLLC	77
Glaser, Weil, Fink, Jacobs & Shapiro, LLP	36
Goodwin Procter, LLC	20
Independent Fiduciary Services	333
Kirkpatrick & Lockhart Preston Gates Ellis, LLP	367
McDonough, Holland & Allen PC	28
Morgan Lewis & Bockius, LLP	898
Murphy Austin Adams Schoenfeld, LLP	299
Nossaman, LLP	22
Pillsbury Winthrop Shaw Pittman, LLP	5,734
Sheppard, Mullin Richter & Hampton, LLP	89
Torys, LLP	3
State Street Bank & Trust Company	4,482
Total Attorney & Master Custodian Fees	\$13,862
Total Other Investment Consultants	\$56,287
Other Investment Expenses¹	\$338,285
Directed Brokerage Expenses	\$2,019
Miscellaneous Investment Expense	\$4,078
Total Investment Expenses – PERF	\$752,781
Total Investment Expenses Other Funds	
SPOFF – Investment Management Fees	\$331
IRC 457 – Investment Management Fees	\$563
SCPF – Investment Management Fees	\$12
CERBTf – Investment Management Fees	\$1
TOTAL INVESTMENT EXPENSES – ALL FUNDS	\$753,688

Note:

¹ Other Investment Expenses represent expenses related to swap losses pursuant to valuation and unitization of assets.

Consultant & Professional Services Expenses – PERF

(Dollars in Thousands)

Individual or Firm	Fee	Nature of Service
Accenture, LLP	\$88,331	Pension System Resumption (PSR) Project
Delegata	7,970	Consulting Services for Public Employer Readiness Team (PERT); PSR Project
Softsol Technologies, Inc.	6,975	Conversion Preparation for PSR
Intuit Real Estate Solutions	5,000	Automated Real Estate Investment System (AREIS)
California State Controller's Office	4,401	Management Information Retrieval System (MIRS) Report/Access; Expedite Payments; Combined Warrants
Hewlett-Packard	4,036	Statement of work for Enterprise Service Delivery & Data Center Automation
Expressworks International, Inc.	3,847	Consulting Services for Enterprise Transition Management (ETM) Project Management
Kearnford Application Systems Design	3,540	PSR Data Clean-up & Data Conversion Project
KPMG, LLP	3,290	ETM, PSR, & PERT Project Oversight
Visionary Integration, LLC (VIP)	3,062	Consulting Services for Customer Education Solution; Enterprise Software Testing Support
Base 3 Consulting	2,670	Business Analysis for Management Support Services & PSR
Medstat Group	2,325	Health Care Decision Support Consulting Services
Trinity Technology Group, Inc.	2,322	Middleware Maintenance & Support; CDB Health Application Support
Vantage Consulting Group, Inc.	2,162	Peoplesoft Financials Integration with PSR; myCalPERS Integration
Insight Technologies, Inc.	2,103	PSR Data Conversion; myCalPERS; CDB Application Support
Softsol Resources, Inc.	1,690	ADABAS Database Administration Services; Enterprise Software Testing Support
Comsys	1,526	Mainframe Communications & Windows Server Support
Highlands Consulting Group	1,516	ETM Project; Business Transition Analysis Project-Enterprise Strategy Alignment
Dolamont Consulting, Inc.	1,432	ETM Project; PeopleSoft Integration to PSR
Watson Wyatt Worldwide	1,256	Health Consulting Services
Mercer Health and Benefits	1,254	Actuarial Consulting for Health Program
Russbo, Inc.	1,160	Enterprise Identity & Access Management Implementation (EIAM) Project
Equanim Technologies	994	EMHS Project Oversight; Management Information Support Services
Information Technology Software Professionals	935	Programming Services for Legacy Mainframe Applications
Jlynnconsulting, Inc.	882	Data Administration/Data Modeling Services
Shooting Star Solutions, LLC	845	HIP & Medicare Parts A & B Project Management Support
Buck Consultants, LLC	797	360 Degree Leadership Program; Strategic & Operational Business Planning
Segula Technologies	778	FSIP PeopleSoft Financials System Administration, Security, & Developer Support
Gabriel, Roeder, Smith Co.	777	Annual Actuarial Valuations; AVS Consulting Services
Ballard Group, The	769	Enterprise Software Testing Supplemental Support Services
Staff Tech, Inc.	690	Programming Services for Legacy Mainframe Applications; PeopleSoft HCM Integration
Ambire Consulting, Inc.	672	Serena Dimensions & PSR Configuration Management Support
Grant Thornton, LLP	624	Internal Control Evaluation Services; PSR Project
Macias Gini & O'Connell, LLP	623	Financial Statement Auditor
Lussier, Vienna, Gregor & Associates	594	Federal Legislative Representative
Performance Technology Partners, LLC	581	PSR & myCalPERS Integration Accessibility Testing & Consulting
Wright On-Line Systems	541	Ebusiness, Financial, & Corporate Oracle Database Services
Logic House Ltd.	519	Enterprise Software & Management Support Services
Moore Wallace Business Communications Services	500	Open Enrollment Processing Services
Blackstone Technology Group	447	IT Transformation Support; ETM Project
North Highland Company	438	ETM Project
Thomson Reuters	395	Manage HIP Implementation, Maintenance, Operation & Turnover Phases
Aastra USA, Inc.	391	Pointspan Telephone Service Package
Coach Source	381	Leadership Development
Princeton Solutions Group, Inc.	366	Enterprise Technical Architecture/Infrastructure Services
Liberty Consulting Team	366	Information Technology Services and On-Site Training
Business Advantage Consulting	341	Consulting Services for PERT Technical Education
Saber Consulting, Inc.	336	Corporate Oracle Database Services
Spherion Pacific Enterprises, LLC	335	ACES Oracle Database Services
Innovative Software Technologies, Inc.	319	AVS & Actuarial Valuation System Programming Maintenance Support

Consultant & Professional Services Expenses – PERF (continued)

(Dollars in Thousands)

Individual or Firm	Fee	Nature of Service
Hamilton Lane Advisors, LLC	\$300	AIM Project
Stealth Network Communication	300	Interactive Voice Response (IVR) System; Investments Trade Room Replacement Project
Kong Consulting, Inc.	293	Consulting Services for PeopleSoft Financials
PM/CM Services, Inc.	270	Construction Project Management Services
Global Access, LLC	250	Filenet Oracle Database Services
Kiefer Consulting, Inc.	243	ITSB/INVO Consulting Services
Senn-Delaney Leadership	241	Strategic Planning & Training
Enclipse Corporation	236	Legacy Mainframe Application Programming Services
Mindstorm	236	Video and Web Design Services
ADSI, Inc.	236	IT Infrastructure Project
Eagle Management Group	217	Coordination, Paperwork, & Booking Service Related to Conference/Events
Siemens Communications, Inc.	215	Speech Recognition Software, Application Development & Systems Integration
National Data Services	213	Annual Member Statements
Jeffrey F. Moy	200	Medical Consultant
California Department of Justice	194	Attorney General Services
Zyncor Consulting	194	Legacy Decommissioning Project
Saba Software, Inc.	191	Learning Management System (LMS) Implementation
Stanfield Systems, Inc.	186	Architecture Integration Services Support; AREIS Project Oversight Services
Two Shea Consulting, Inc.	181	Annual Member Statements
Celer Systems, Inc.	175	Data Validation of PSR Data Conversion
Chisoft Consultant Services, LLC	169	Architecture Consulting Services
Informatix, Inc.	154	PERT Technical Education Services
Cloverleaf Solutions	154	Application Developer/Performance Tester for Web Based Applications
ATV Video Center, Inc.	153	Audio Visual Support & Live Presentation Services
Cooperative Personnel Services	151	Physical Agility Training; Joint Powers
Financial Finesse	150	Financial Planning Services
DLT Solutions	148	Kofax Installation/Configuration for Document Capture Project
Natoma Technologies	141	Consulting Services for Self Service Application Support
Setka, Inc.	139	PAM SDK Integration & Reconciliation Support
Sri Infotech, Inc.	139	IAR Developer Support Resource Services
Intraform	125	Board Election Services
Western Blue	122	PSR Desktop Support Staffing
Nexlevel Information Technology, Inc.	116	Employer Readiness Team Planning & Project Management Operations
Evolve Technology Group	113	Date Network Architecture Support
Iron Mountain Fulfillment Services, Inc.	107	Print on Demand Service
California State Personnel Board	101	Consolidated Exam Services
Consortium of Business Continuity Professionals, Inc.	95	Business Continuity Program
DSS Research, Inc.	91	Health Plan Member Satisfaction Survey
Jannice Salas Tan	91	Pharmacy & Pharmacy Related Consulting Services
Peters Shorthand Reporting Corporation	91	Transcript Services
DLS Enterprises, LLC	90	Management Support Services for EMBARC, PSR, & Health Initiatives
Roberta Almeida	89	Legacy Mainframe Application Programming Services
Conference Plus	80	PSR/PERT Project; Powerpoint Presentation Services
Ennis, Knupp & Associates	75	Organizational & Leadership Development
Kleinfelder, Inc.	75	Construction Inspection & Materials Testing Services
EFI Actuaries	75	Professional Actuarial Auditing Services
Public Sector Consultants, Inc.	70	Business Process Re-Engineering Services
Office Workouts	70	Fitness Instruction & Program Administration
Advanced Systems Group, LLC	68	Production Equipment Maintenance Services
Michael Strategic Analysis	67	Surveys and Other Services
International Network Services	55	Microsoft Exchange Server Administrator Support

Consultant & Professional Services Expenses – PERF (continued)

(Dollars in Thousands)

Individual or Firm	Fee	Nature of Service
Ogilvy Public Relations	\$55	Communications & Marketing
Bongo Post & Music	50	Video, Multimedia & Production Services
California State Teachers' Retirement System	50	Diversity Conference
Method	50	Leeds Educational Display
Robert Half International, Inc.	50	Temp Help for Accounts Payable
Sapphire Technologies, Inc.	44	FSIP Oracle Database Services
Maximus/Center for Health Dispute Resolution	40	Review Member Medical Claim Appeals
Eaton Interpreting Services	40	Sign Language Interpreting Services
CSUS, College of Continuing Education	35	Training Consultation
Sign Language Interpreting Service Agency	35	Sign Language Interpreting Services
Bedrosian & Associates	32	Writing/Editorial Service
Prosci, Inc.	32	Change Management Training
Evergreen Systems, Inc.	32	Server Implementation
Pacific Business Group on Health	31	Internet-Based Health Plan Chooser Tool Management & Maintenance Services
Jam Media, LLC	30	Video, Multimedia & Production Support
Forrester Research, Inc.	30	CIO Leadership Council Seat
Lincoln Crow, LLC	29	Communication Services
Interaction Associates	29	Facilitation Training Workshop
Page Design Group	28	Digital Design & Production Services
Entisys Solutions, Inc.	27	Citrix Upgrade Project
Runyon, Saltzman & Einhorn, Inc.	25	Communications & Marketing
Kaleidoscope Group, LLC	25	Diversity Awareness Baseline Survey
Dee Hansford Consulting	24	Customer Service Program; Video, Multimedia & Production Support
Pacific Satellite Connection, Inc.	24	Video Production
Los Rios Community College	22	Medical Terminology Training
Adcom Media	21	Multimedia Communication Services
Suzanne Stone Freelance Services	20	Freelance Services
International Foundation for Retirement Education (InFRE)	20	Certified Retirement Counselor Credential Program
Other	154	
TOTAL CONSULTANT & PROFESSIONAL SERVICES EXPENSES	\$177,123	

Statement of Changes in Assets & Liabilities – Agency Funds

For the Year Ended June 30, 2009 (Dollars in Thousands)

	RBF – Agency			Balance June 30, 2009
	Balance June 30, 2008	Additions	Deductions	
ASSETS				
General Cash	\$ —	\$11,890	\$11,871	\$19
Retirement Contribution Receivable	48	4,239	4,239	48
Interest & Dividends Receivable	15	18	24	9
Surplus Money Investment Fund	1,510	4,168	3,603	2,075
TOTAL ASSETS	\$1,573	\$20,315	\$19,737	\$2,151
LIABILITIES				
Other Program Liabilities	\$1,573	\$7,657	\$7,079	\$2,151
TOTAL LIABILITIES	\$1,573	\$7,657	\$7,079	\$2,151

	CRF – Agency			Balance June 30, 2009
	Balance June 30, 2008	Additions	Deductions	
ASSETS				
General Cash	\$ —	\$1,662,197	\$1,645,671	\$16,526
Surplus Money Investment Fund	198,567	1,592,843	1,724,007	67,403
Public Agency Receivables:				
Active	127,256	1,363,294	1,362,280	128,270
Retired	20,591	299,112	299,917	19,786
TOTAL ASSETS	\$346,414	\$4,917,446	\$5,031,875	\$231,985
LIABILITIES				
Premiums Due to Carriers:				
Active	\$125,491	\$1,398,987	\$1,389,688	\$134,790
Retired	40,811	318,792	317,115	42,488
Health Premium Claims Filed:				
Active	104,155	1,317,230	1,421,385	—
Retired	21,938	280,684	302,622	—
Due to HCF:				
Active	36,116	437,036	436,947	36,205
Retired	17,903	219,977	219,378	18,502
TOTAL LIABILITIES	\$346,414	\$3,972,706	\$4,087,135	\$231,985

	OASI			Balance June 30, 2009
	Balance June 30, 2008	Additions	Deductions	
ASSETS				
Cash Held by State Treasurer	\$5,773	\$ —	\$49	\$5,724
TOTAL ASSETS	\$5,733	\$ —	\$49	\$5,724
LIABILITIES				
Due to State and Public Agencies	\$5,724	\$ —	\$34	\$5,690
Due to Other Funds	49	—	15	34
TOTAL LIABILITIES	\$5,773	\$ —	\$49	\$5,724

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Chief Investment Officer's Letter

June 30, 2009

The Board of Administration of the California Public Employees' Retirement System

On behalf of CalPERS Investment Office, I am reporting on CalPERS investments, California investments, our investment performance, and investment-related fees and costs for the period that ended June 30, 2009. Our Investment Office staff, pension consultant Wilshire Associates, and State Street Bank & Trust, our master custodian, compiled this data as required by the Retirement Law.

The worldwide economic decline led to a 24.8 percent decline in the market value of our investment portfolio for the one-year period ending June 30, 2009. In the aftershock of the financial crisis that began in 2007, all investors were negatively affected by the unprecedented dislocation in credit and housing markets associated with the subprime mortgage crisis, a global economic slowdown, and mounting liquidity problems in the capital markets.

We experienced declines in most asset classes. Our Global Equity portfolio saw declines by 26 percent in U.S. stocks and 32.4 percent in international stocks. Private Equity (our Alternative Investment Management Program) had a decline of 25.9 percent for the year. Global Fixed Income returned 0.4 percent for the domestic portfolio and 1.7 percent for international. Real estate market values declined by 47.9 percent over the fiscal year as the impact of the slowdown in the national housing market and property devaluations continued.

In June 2009, a mid-course correction of our three-year asset allocation plan for the 2008 through 2010 calendar years slightly lowered the target and range for Global Equity, raised them for AIM and Global Fixed Income, created a new allocation of up to 2 percent for cash, and left allocations for Real Estate and the Inflation-Linked Asset Class unchanged.

We continued to invest in the State of California. We had \$15.1 billion deployed or committed for investment in California entrepreneurial businesses, real estate, urban infill, and stocks and bonds in corporations based in California.

We continued to reach out to emerging investment managers, to explore and advocate environmental investments and sound, sustainable environmental practices. Our Supplemental Income Program offered 25 different investment options to participating public agencies.

And finally, in the area of corporate governance, our annual Focus List called attention to several U.S. companies with poor financial and corporate governance performance. We took a strong national leadership role as we joined with other institutional investors to advocate market regulatory reforms and improved corporate governance practices aimed at averting future financial crises.

Despite the magnitude of the losses suffered in the 2008-09 fiscal year, our 20-year return was 7.75 percent, our overall investment earnings target. So a long-term perspective will continue to be important in our strategic investing.

As the fiscal year closed, equity markets continued to recover since March, increasing the Fund's market value by \$18 billion. Credit spreads were narrowing, housing prices were stabilizing, and investment managers were beginning to tap their large cash holdings for promising capital deployments.

We continued to meet obligations to members, contracting employers, and investment partners with the right people and tools to maximize risk-adjusted investment returns through all market cycles. As the nation's largest public pension fund, we can weather market storms and are well positioned for recovery.

Joseph Dear
Chief Investment Officer

Summary of Investments – PERF (As of June 30, 2009)

	Book Value	Market Value	% of Investments at Market Value
CASH EQUIVALENTS & RECEIVABLES/PAYABLES			
Domestic Cash Equivalents			
Cash Equivalents	\$10,527,458,970	\$10,524,662,891	5.74%
State Pooled Money Investment Fund	1,038,073,000	1,038,073,000	0.57
Total Domestic Cash Equivalents	\$11,565,531,970	\$11,562,735,891	6.31%
International Cash Equivalents			
Cash Equivalents	\$20,629	\$16,934	0.00%
International Currency	477,703,850	481,376,096	0.26
Total International Cash Equivalents	\$477,724,479	\$481,393,030	0.26%
Net Investment Receivables/Payables	(\$173,097,942)	(\$173,097,942)	(0.09%)
TOTAL CASH EQUIVALENTS & RECEIVABLES/PAYABLES	\$11,870,158,507	\$11,871,030,979	6.48%
DEBT SECURITIES			
Domestic Debt Securities			
Asset-Backed	\$5,911,543,070	\$5,810,509,066	3.17%
Corporate	33,158,219,693	36,015,569,176	19.64
U.S. Treasuries & Agencies	4,769,419,985	4,358,227,121	2.38
Mortgage Loans	437,114,918	438,317,635	0.24
Mortgage-Backed Securities			
CMO	558,136,718	341,054,390	0.19
FHLMC	274,286,571	288,465,874	0.16
FNMA	759,974,196	787,010,694	0.43
GNMA I/GNMA II	274,371,272	283,094,195	0.15
Total Domestic Debt Securities	\$46,143,066,423	\$48,322,248,151	26.36%
International Debt Securities	\$3,102,618,413	\$3,275,402,341	1.79%
TOTAL DEBT SECURITIES	\$49,245,684,836	\$51,597,650,492	28.15%
EQUITY			
Domestic Equity & Options	\$33,136,144,649	\$38,236,280,759	20.85%
International Equity & Options	\$50,047,318,616	\$41,993,701,536	22.90%
Alternative Investment Management Program			
Corporate Structuring	\$14,312,029,159	\$11,428,574,135	6.23%
Distressed Capital	3,624,733,483	3,135,558,995	1.71
Expansion Capital	3,601,255,319	2,404,770,909	1.31
Mezzanine Debt	279,917,734	207,734,291	0.11
Secondary Interest	294,659,482	366,019,427	0.20
Special Situation	2,517,585,817	1,694,066,914	0.92
Venture Capital	3,684,390,750	2,556,731,036	1.40
Total Alternative Investment Management Program	\$28,314,571,744	\$21,793,455,707	11.88%
TOTAL EQUITY	\$111,498,035,009	\$102,023,438,002	55.63%
ILAC	\$4,581,572,754	\$4,372,977,246	2.37%
REAL ESTATE PROGRAMS			
Core			
Domestic Real Estate	\$7,147,392,332	\$5,465,754,420	2.98%
Non-Core			
Domestic Real Estate	10,226,575,392	731,068,465	3.13
International Real Estate	2,533,354,511	2,308,791,144	1.26
TOTAL REAL ESTATE PROGRAMS	\$19,907,322,235	\$13,505,614,029	7.37%
TOTAL INVESTMENT VALUE	\$197,102,773,341	\$183,370,710,748	100.00%

Note: Differences between Total Investment Value in the Summary of Investments and Total Investments shown on page 34 are due to differences in reporting methods. In accordance with GASB Statement No. 28, the financial statements include Securities Lending Collateral

as part of Total Investments, which is not included here. The Summary of Investments also includes Net Investment Receivables/Payables that are not reported on page 34 in Total Investments.

Investment Performance – PERF

CalPERS benchmark returns for domestic and international equity securities for fiscal year 2008-09 were a negative 26.8 percent and a negative 30.1 percent, respectively. CalPERS uses a Custom Wilshire 2500 Index to provide a benchmark for the domestic equity investment returns, and the FTSE All-World ex US Index for international equity investment returns. These benchmarks are representative of the returns that could be expected in a similar investing environment, and reflect the overall market conditions.

Alternative investments incurred a negative return of approximately 25.9 percent for the 2008-09 fiscal year, compared to 5.8 percent for fiscal year 2007-08. CalPERS uses the Custom Young Fund Policy Index as the long-term benchmark for the AIM program.

Domestic debt securities returned approximately 0.2 percent, and international debt securities returned approximately 1.7 percent for the 2008-09 fiscal year, compared to 6.5 percent and 17.6 percent, respectively for fiscal year 2007-08. CalPERS benchmark returns were 6.1 percent and 3.4 percent, respectively. CalPERS uses the Lehman Long Liability Index and the Lehman International Fixed Income Index to provide a benchmark for fixed income investment returns. These benchmarks are representative of the returns that could be expected in a similar investing environment.

CalPERS benchmark for real estate return for fiscal year 2008-09 was negative 19.6 percent. CalPERS uses the NCREIF Property Index to provide a benchmark for real estate investment returns. The NCREIF is a property-level performance benchmark for institutionally owned real estate held in a fiduciary environment.

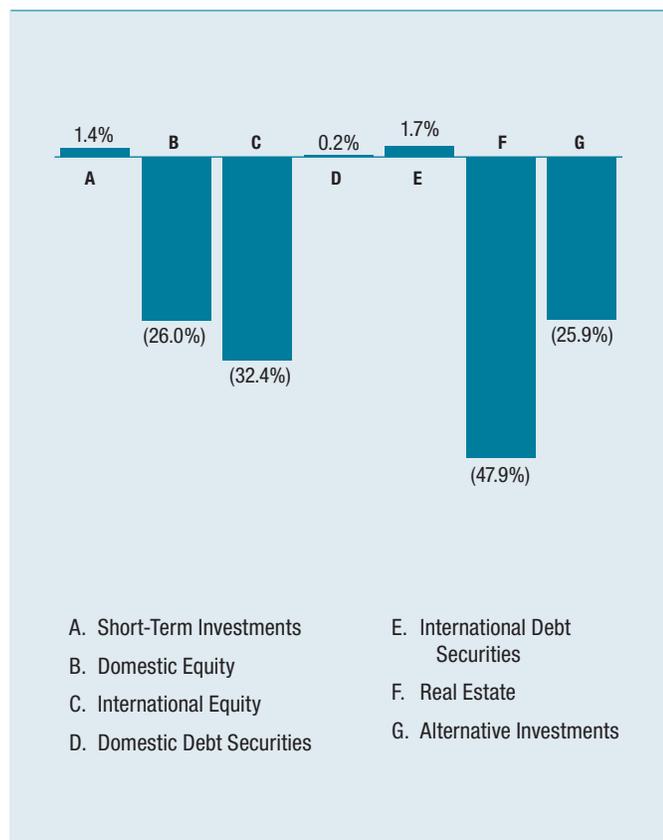
Short-term investments returned approximately 1.4 percent for the 2008-09 fiscal year, compared to 4.3 percent for fiscal year 2007-08. CalPERS uses the SSGA Custom STIF as a benchmark for short-term investments.

Wilshire Associates, the Board’s pension consultant, prepares a Quarterly Report of Investment Performance for the Fund based on performance calculations made by the Fund’s custodian, State Street Bank & Trust. Shown on the following page are the 1-year, 3-year, 5-year, and 10-year time-weighted rates of return for the year ended June 30, 2009.

Per guidelines recommended by the Chartered Financial Analyst Institute, the Master Custodian for CalPERS computes monthly returns for portfolios, composites, and total plan. For periods greater than a month, a time series of linked monthly returns is used, producing a time-weighted effect.

Additional information about CalPERS investment policies, operations, investment results, and detailed asset information can be found in the accompanying 2009 Operations Summary, and on the CalPERS Web site at www.calpers.ca.gov.

PERF Investment Returns



Investment Performance – PERF (continued)

PERF Portfolio Comparisons

Category	1-Year Return	3-Year Return	5-Year Return	10-Year Return	Index	1-Year Return	3-Year Return	5-Year Return	10-Year Return
TOTAL FUND	(24.0%)	(4.9%)	1.6%	2.3%	Asset Allocation Policy Index ¹	(16.1%)	(1.1%)	3.6%	3.0%
					Actuarial Rate	7.8%	7.8%	7.8%	8.0%
					Trust Universe Comparison Service (TUCS) Public Fund Median	(17.1%)	(2.6%)	2.2%	2.7%
					Wilshire Large Fund Universe Median	(18.8%)	(2.7%)	2.4%	2.9%
Domestic Equity	(26.0%)	(7.8%)	(1.6%)	(1.2%)	PERS Wilshire 2500 Tobacco-Free Index	(26.8%)	(8.2%)	(1.8%)	(1.7%)
International Equity ²	(32.4%)	(6.8%)	4.0%	2.6%	FTSE All World ex U.S. Index	(30.1%)	(5.2%)	4.9%	2.8%
Alternative Investments/ Private Equity	(25.9%)	(0.1%)	7.5%	5.1%	Custom Young Fund Policy Index	(20.7%)	2.1%	8.0%	0.7%
Total Equity	(28.6%)	(7.6%)	0.2%	0.0%					
Domestic Debt Securities	0.2%	4.6%	4.7%	6.3%	Lehman Long Liability Index	6.1%	6.8%	5.6%	6.6%
International Debt Securities	1.7%	6.9%	5.7%	6.0%	Lehman International Fixed Income	3.4%	7.6%	6.1%	6.5%
Total Debt Securities	0.4%	4.9%	4.8%	6.3%					
Real Estate	(47.9%)	(19.2%)	(1.3%)	4.6%	NCREIF Property Index ³	(19.6%)	(0.2%)	6.8%	8.1%
Cash Equivalents	1.4%	3.7%	3.6%	3.6%	Custom Short-Term Investment Fund ⁴	1.4%	3.6%	3.4%	3.4%

Notes:

¹ The Asset Allocation Policy Index return equals the return for each asset class benchmark, weighted at the current target asset allocations.

² Includes currency overlay.

³ The National Council of Real Estate Investment Fiduciaries Index is on a quarter lag.

⁴ The Custom STIF Policy Index is a custom index maintained by SSGA.

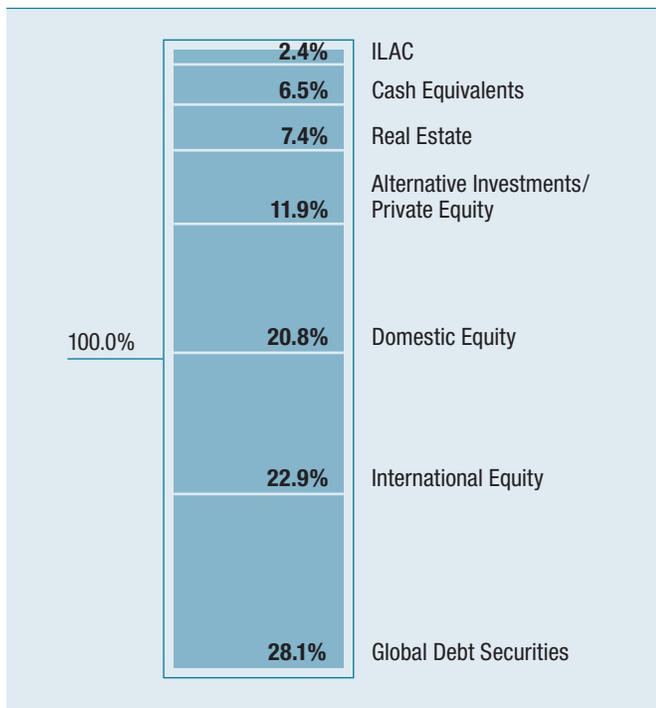
Asset Allocations – PERF (Dollars in Billions)

Asset Class	Market Value	Current Allocation	Current Year Target ¹	Prior Year Target
CASH EQUIVALENTS	\$12.0	6.5%	0.0%	0.0%
GLOBAL DEBT SECURITIES	\$51.6	28.1%	19.0%	19.0%
EQUITY				
Domestic	\$38.2	20.8%	28.0%	28.0%
International	42.0	22.9%	28.0%	28.0%
Alternative Investments/Private Equity	21.8	11.9%	10.0%	10.0%
TOTAL EQUITY	\$102.0	55.6%	66.0%	66.0%
INFLATION LINKED (ILAC)	\$4.4	2.4%	5.0%	5.0%
TOTAL REAL ESTATE	\$13.5	7.4%	10.0%	10.0%
TOTAL FUND	\$183.5²	100.0%	100.0%	100.0%

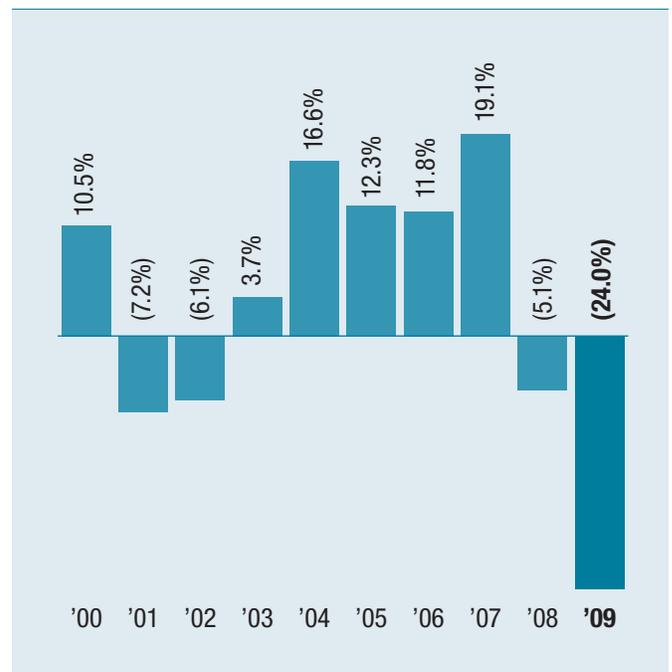
Notes:

- ¹ Target allocation effective January 1, 2009.
- ² Differences between investment values above and the values on the Summary of Investments on page 83 are due to differences in reporting methods. The Summary of Investments includes Net Investment Receivables/Payables.

PERF Investment Mix by Asset Class



PERF Total Fund Performance | 10-Year Review, One-Year Returns



Portfolio of California Investments at Market Value – PERF

(Dollars in Millions)	California Investments
EQUITY	
Domestic Equity	\$5,137.9
International Equity	—
TOTAL EQUITY	\$5,137.9
FIXED INCOME	
Domestic Fixed Income	\$4,600.4
International Fixed Income	—
TOTAL FIXED INCOME	\$4,600.4
INFLATION LINKED	\$10.4
REAL ESTATE	\$3,828.4
ALTERNATIVE INVESTMENT MANAGEMENT	\$1,300.0
TOTAL CALIFORNIA INVESTMENTS	\$14,877.1

Largest Stock & Bond Holdings at Market Value¹ – PERF

Largest Stock Holdings (Dollars in Thousands)

Rank	Company	Shares	Market Value
1	Exxon Mobil Corporation	14,276,875	\$998,096
2	Microsoft Corporation	23,139,951	550,037
3	Johnson & Johnson	7,619,424	432,783
4	AT&T, Inc.	17,076,445	424,179
5	Procter and Gamble Company	8,032,896	410,481
6	International Business Machines	3,924,440	409,790
7	Chevron Corporation	6,096,554	403,897
8	JP Morgan Chase Company	11,096,822	378,513
9	Apple, Inc.	2,550,397	363,253
10	Wal Mart Stores, Inc.	7,248,892	351,136

Largest Bond Holdings (Dollars in Thousands)

Rank	Company	Par Value	Market Value
1	Chase Issuance Trust 1.869% due 04/15/14	4,165,000	\$4,187,778
2	Citibank Credit Card Issuance Trust 2.069% due 03/17/14	1,553,405	1,574,154
3	United States Treasury Notes 2.750% due 02/15/19	1,214,600	1,137,521
4	United States Treasury N/B 3.875% due 05/15/39	983,000	972,865
5	United States Treasury N/B 3.125% due 05/15/19	809,600	782,843
6	FNMA Pool 735036 5.50% due 12/01/34	473,241	490,269
7	Federal National Mortgage Association 7.125% due 01/15/30	286,409	370,113
8	United States Treasury Bonds 6.875% due 08/15/25	290,400	380,590
9	Longhorn A 1.000% due 11/01/27	471,847	366,308
10	Tennessee Valley Authority 5.880% due 04/01/36	318,870	341,538

Note:

¹ CalPERS no longer produces a separate Annual Investment Report. All the information previously included in that separate volume is now contained in this report and the accompanying Operations Summary. A complete listing of portfolio holdings is available on the CalPERS Web site at www.calpers.ca.gov.

A complete list of portfolio holdings is available upon request.

Schedule of Commissions & Fees – PERF (Dollars in Thousands)

Broker	Number of Shares Traded	Base Commission & Fees Amount
Morgan Stanley Company, Inc.	8,312,444,424	\$5,200
Credit Suisse Securities (USA), LLC	3,551,666,012	3,712
Merrill Lynch, Pierce, Fenner & Smith, Inc.	5,302,472,209	3,621
Lehman Brothers, Inc.	1,216,721,678	3,253
Goldman Sachs & Company	218,373,560,275	2,792
JP Morgan Securities, Inc.	11,607,643,346	2,748
Citigroup Global Markets, Inc.	15,929,149,011	2,635
Investment Technology Group, Inc.	145,703,193	2,239
BNY Brokerage, Inc.	96,259,963	2,006
Citigroup Global Markets, Inc.		
Salomon Brothers	68,594,455	1,990
Wdr Warburg Dillon Read, LLC	428,895,059	1,980
Instinet	115,060,717	1,949
Barclays Capital, LE	71,943,844	1,792
Warburg Dillon Read	750,702	1,641
Cantor Fitzgerald & Company	83,298,276	1,618
Merrill Lynch International	373,190,200	1,264
ABN Amro Bank N.V.	488,692,504	1,253
Instinet U.K., Ltd.	304,787,555	1,180
Investment Technology Group, Ltd.	307,803,278	1,165
Deutsche Bank Securities, Inc.	2,628,271,414	1,088
Gunnallen Financial	58,403,342	1,048
Credit Suisse Securities (Europe), Ltd.	170,300,161,335	901
UBS Securities, LLC	94,222,412	890
Guzman & Company	45,787,169	889
UBS AG	604,266,861	884
HSBC Securities (USA), Inc./Stock Loan	646,620,737	882
Fidelity Capital Markets	40,627,988	808
UNX, Inc.	42,959,588	784
BNY Convergenx	48,000,793	764
Seslia Securities	37,888,973	688
HSBC Bank PLC	111,413,205	677
HSBC Securities (USA), Inc.	578,975,233	659
Macquarie Securities, Ltd.	467,235,027	627
Goldman Sachs International	2,223,626,320	613
Abel Noser Corporation	30,982,032	593
Great Pacific Securities, Inc.	167,315,624	587
Magna Securities Corporation	31,882,162	560
Citigroup Global Markets, Ltd.	17,273,639,817	528
Jones Trading Institutional Services, LLC	25,954,153	522
RBC Capital Markets	126,607,390	515
JP Morgan Clearing Corporation	195,536,691	483
Jefferies & Company, Inc.	22,791,467	477
Bank Of America Securities, LLC	422,255,696	458
HSBC Bank Brasil Sa Banco Multiplo	30,857,534	445
Utendahl Capital Partners, LP	23,392,338	442
Societe Generale London Branch	51,794,194	430
Deutsche Bank AG London	9,491,440,882	414
HSBC James Capel Seoul	13,494,837	412
Sanders Morris Harris	23,653,948	396
JP Morgan Securities (Asia Pacific), Ltd.	160,333,629	372
Cabrera Capital Markets	18,690,705	365
Hong Kong & Shanghai Banking Corporation	533,344,021	357
Deutsche Securities Asia, Ltd.	88,218,193	339

Broker	Number of Shares Traded	Base Commission & Fees Amount
Citigroup Global Markets Korea Secs., Ltd.	4,165,789	\$338
Magavceo Lee & Company	18,765,889	334
Oien Securities, Inc.	18,338,630	332
Pacific American Securities, LLC	17,537,013	331
Liquidnet, Inc.	14,960,023	329
Knight Securities	13,184,029	295
National Financial Services Corporation	109,038,320	294
JP Morgan Securities, Ltd.	1,068,667,813	294
Rosenblatt Securities, LLC	15,880,621	277
CLSA Securities Korea, Ltd.	2,412,160	264
BNY Convergenx Ljr	8,815,889	257
BNP Paribas Peregrine Securities	87,535,833	256
ITG Canada	41,745,639	252
Pershing, LLC	368,844,304	251
Brockhouse & Cooper, Inc. Montreal	41,127,325	250
Finacorp Securities	15,269,401	240
Mischler Financial Group, Inc. – Equities	12,989,256	238
Morgan Stanley & Company International	229,899,996	231
UBS Securities Asia, Ltd.	126,566,159	229
Samsung Securities Company, Ltd.	2,681,983	227
Montrose Securities Equities	11,950,406	227
Macquarie Securities, Ltd. Seoul	2,286,568	225
Pershing DLJ S L	32,595,701	222
Weeden & Company	11,429,726	220
Stuart Frankel & Company, Inc.	11,960,720	205
JM Morgan Stanley Secs Pvt, Ltd.	19,971,315	205
Instinet Pacific, Ltd.	285,900,596	189
Credit Suisse First Boston (Europe)	2,101,042	183
Roberts & Ryan Investments, Inc.	7,791,462	171
Citigroup Global Markets UK Equity, Ltd.	23,948,431	171
Pulse Trading, LLC	7,824,840	170
Smifs Securities, Ltd.	4,106,955	167
Instinet, LLC	20,413,883	167
RBC Dominion Securities, Inc.	61,153,894	165
Credit Lyonnais Securities (Asia)	52,687,096	160
Friedman Billings & Ramsey	7,380,114	158
Motilal Oswal Securities, Ltd.	4,854,780	154
Macquarie Equities, Ltd. (Sydney)	78,697,460	152
SG Securities HK	85,292,877	144
Mr Beal & Company	3,012,078	139
ITG, Inc.	13,496,155	135
Sanford C. Bernstein Company, LLC	5,235,970	134
Morgan Stanley & Co. International Taipei Metro	103,080,922	130
CS First Boston (Hong Kong), Ltd.	88,147,597	129
HSBC Brokerage	6,222,351	125
Williams Capital Group, LP (The)	4,344,798	120
Capital Institutional Svcs, Inc. Equities	4,062,920	117
Morgan Stanley & Company International	2,851,048	116
Bear Stearns Securities Corporation	136,203,984	115
Multitrade Securities, LLC	5,646,046	114
Princeton Securities	5,619,674	113
Cowen & Company, LLC	3,101,606	109
Labranche Financial Services	4,274,383	108
Cazenove & Company	13,471,670	108

Schedule of Commissions & Fees – PERF (continued) (Dollars in Thousands)

Broker	Number of Shares Traded	Base Commission & Fees Amount
Firefly Capital, Inc.	5,166,159	\$104
ABN Amro Bank NV Hong Kong	52,422,630	103
Penson Financial Services, Inc.	5,161,338	102
Nomura Securities International, Inc.	13,660,231	98
Credit Lyonnais Capital Indonesia	30,609,750	97
Celfin Capital SA Corredores De Bolsa	177,008,556	96
Oppenheimer & Company, Inc.	2,501,501	95
First Clearing, LLC	4,166,737	95
Credit Agricole Indosuez Cheuvreux	10,523,430	95
O'Neil, William & Company, Inc./BCC Clrg	2,045,160	94
Thomas Weisel Partners, LLC	3,583,798	90
Loop Capital Markets, LLC	2,704,212	90
JP Morgan Securities (Far East), Ltd. Seoul	2,886,014	87
Hyundai Securities Company, Ltd.	782,761	86
Stifel Nicolaus & Company, Inc.	8,392,649	84
Cuttone & Company, Inc.	2,723,615	83
Macquarie Securities (India) Pvt, Ltd.	3,498,265	82
Banco Santander Central Hispano	7,982,681	82
UBS AG London	103,692,794,621	81
UBS Warburg, LLC	28,359,556	79
Soleil Securities	2,002,256	79
Renaissance Capital Group	1,954,291	79
Woori Investment Securities	1,101,019	78
Ridge Clearing & Outsourcing Solutions	2,339,259	78
Credit Lyonnais Securities (India)	3,853,711	77
Daewoo Securities Company, Ltd.	1,296,995	75
Daiwa Securities America, Inc.	7,294,893	72
China International Cap. Corp. HK. Secs, Ltd.	36,995,773	71
Credit Lyonnais Securities (Asia)	24,748,647	69
SG Americas Securities, LLC	10,524,441	68
Deutsche Eq In Prvt, Ltd.	1,249,607	65
Credit Suisse First Boston	26,644,322	64
Screaming Eagle Trading, Inc.	3,121,891	63
Merrill Lynch Professional Clearing Corporation	1,573,573	63
Robert Van Securities	3,101,090	62
Pipeline Trading Systems, LLC	3,276,531	62
Dresdner Bank AG London	38,141,320	61
ITG Securities (HK,) Ltd.	84,186,178	59
ING Bank N V	2,202,790	59
Dundas Unlu Securities, Inc.	9,432,955	59
Nomura International PLC	17,476,143,077	58
JP Morgan Securities (Taiwan), Ltd.	21,996,668	58
UBS Securities Canada, Inc.	1,813,623	57
Credit Lyonnais Securities (USA), Inc.	63,470,354	56
Skandinaviska Enskilda Banken London	3,358,191	54
Sanford C. Bernstein, Ltd.	3,137,914	54
Credit Suisse Securities India Private, Ltd.	3,153,080	53
Salomon Smith Barney, Inc.	75,944,563	52
India Infoline, Ltd.	3,595,211	52
Davy (J&E)	636,133	52
HC Istanbul	3,410,647	51
Exane SA	3,187,605	51

Broker	Number of Shares Traded	Base Commission & Fees Amount
ABN Amro Asia, Ltd.	36,689,235	\$51
William Blair & Company, LLC	1,519,771	50
HSBC	39,414,075	49
Citation Group	1,684,493	49
Canaccord Adams, Inc.	1,179,113	49
PCS Dunbar Securities	2,404,810	48
Enam Securities Pvt., Ltd.	1,394,407	48
Piper Jaffray	1,241,166	45
ITG Australia, Ltd.	21,356,453	45
Financial Brokerage Group (FBG)	4,376,097	45
Gardner Rich & Company	2,109,334	43
Baird, Robert W. & Company, Inc.	1,105,861	43
DSP Merrill Lynch, Ltd.	3,356,763	42
ISI Group, Inc.	1,157,433	41
Macquarie Securities (Singapore)	20,459,000	40
BNY Brokerage	2,003,264	40
Kepler Equities Zurich	1,368,446	39
Citigroup Global Markets India	2,901,326	38
UBS Securities Pte., Ltd., Seoul	409,971	37
Lehman Brothers International (Europe)	620,100,600	37
Keefe Bruyette & Woods, Inc.	1,034,060	37
Banco Itau SA	2,383,199	37
Agora Corde Titul E Val Mob	2,056,161	37
Penson Financial Services Canada, Inc.	7,559,960	36
King, Cl., & Associates, Inc.	1,006,965	36
JP Morgan Securities Australia, Ltd.	4,661,135	36
Credit Lyonnais Securities	7,251,249	36
Mitsubishi UFJ Securities International, PLC	5,959,481,341	35
Edelweiss Securities Pvt., Ltd.	1,484,815	35
Dongwon Securities	521,919	35
Hoare Govett (India) Securities Pvt, Ltd.	2,600,156	34
CLSA Singapore Pte., Ltd.	25,459,366	34
Citigroup Global Markets Australia Pty.	2,921,750	34
Morgan Keegan & Company, Inc.	731,863	33
Finsettle Services Pty., Ltd.	3,082,085	33
BMO Capital Markets	1,145,961	33
Baypoint Trading, LLC	5,756,661	33
Morgan Stanley Securities, Ltd.	5,016,143	32
Lazard Capital Markets, LLC	57,003,469	32
Harris Nesbitt Corporation	931,729	32
Boci Securities, Ltd.	18,348,200	32
Batlivala & Karani Secs India Pvt., Ltd.	1,283,542	32
Wachovia Capital Markets, LLC	9,668,153	31
Nordic Partners	2,148,000	31
Fubon Securities Company, Ltd.	8,244,550	31
Pacific Crest Securities	650,348	29
Instinet France S A	4,854,147	29
Cantor Fitzgerald Eur. No. 2	8,650,384	29
American Technology Research, Inc.	721,632	29
Sanders Morris Mundy	1,387,270	28
Kempen & Company N.V.	2,400,347	28
Instinet Australia Clearing Svc Pty., Ltd.	13,672,408	28
Pension Financial Services, Inc.	960,070	27
Nesbitt Burns	13,469,902	27
Kotak Securities	563,348	27

Schedule of Commissions & Fees – PERF (continued) (Dollars in Thousands)

Broker	Number of Shares Traded	Base Commission & Fees Amount
S.S. Kantilal Ishwarlal Securities	889,632	\$26
Cazenove Asia, Ltd.	9,756,500	26
Calyon Securities	2,022,208	26
Daiwa SBCM Europe	3,474,500	25
Collins Stewart & Company	1,952,607	25
Monument Derivatives, Ltd. London	4,179,270	24
Liquidnet Europe, Ltd.	8,555,711	24
Instinet Singapore Services Pt.	50,883,164	24
Fox Pitt Kelton, Ltd.	3,981,350	24
Raymond James Trust Company	2,451,600	23
Raymond James & Associates, Inc.	28,962,892	23
Pershing Securities, Ltd.	2,478,630	23
Intermonte Sec. Sim. SPA	4,130,769	23
Financiera San Pedro - Peru	1,156,687	23
CSFB Australia Equities, Ltd.	2,506,973	23
Credit Suisse First Boston SA Ctvm	1,483,540	23
The Benchmark Company, LLC	898,296	22
TD Waterhouse CDA	918,122	22
Midwood Securities	569,600	22
Kleinwort, Benson Securities, Ltd.	609,496	22
KBC Financial Products UK, Ltd.	2,320,721	22
Investec Securities	803,362	22
Icici Brokerage Services	635,942	22
Deutsche BK AG	10,587,000	21
Commerce Intl Merchant Bankers	3,604,000	21
Cimb-Gk Securities Pte., Ltd.	7,122,978	21
CA IB Investment Bank AG	348,387	21
ABN Amro Securities (USA), Inc.	3,385,339	21
ABN Amro Bank NV Hong Kong	4,891,506	21
ABM Amro Hoare Govett Asia Ltd., Seoul	141,128	21
Wedbush Morgan Securities, Inc.	220,419,996	20
Nomura International (Hong Kong), Ltd.	1,601,955	20
Mizuho Sec. Asia, Ltd.	2,065,856	20
Kepler Equities Paris	321,064	20
HSBC Securities India Holdings	343,154	20
Sidoti & Company, LLC	411,341	19
Penserra Securities, LLC	4,759,270	19
J B Were & Son	1,479,509	19
Cazenove & Company	3,406,039	19

Broker	Number of Shares Traded	Base Commission & Fees Amount
Bear Stearns & Company, Inc.	914,056	\$19
Aviate Global, LLP	674,400	19
Yamner & Company, Inc. (Cis Thru 443)	1,756,816	18
UBS Warburg Securities, Ltd.		
Taiwan Branch	5,611,000	18
National Securities Corporation	5,534,000	18
Leerink Swann & Company	477,301	18
Kas-Associatie NV	1,611,884	18
Janney Montgomery, Scott, Inc.	465,197	18
Chase Manhattan Bank	49,630	18
Societe Generale	45,281,000	17
Santander Central Hispano Bolsa	867,327	17
Pereire Tod, Ltd.	2,015,933	17
Macquarie Securities Indonesia	7,973,300	17
Jefferies International, Ltd.	808,836	17
Citigroup Global Markets Asia, Ltd.	3,576,028	17
Brockhouse Cooper	2,732,362	17
Banco Santander Central Hispano SA	403,768	17
Tera Menkul Degerler AS	2,741,558	16
KBC Clearing NV	359,633	16
Johnson Rice & Company	401,040	16
Heflin & Company LLC	820,359	16
Hedging Griffio Cor De Val SA	996,200	16
Fox Pitt Kelton, Inc.	1,287,918	16
ABG Securities	7,003,609	16
TD Investments, Ltd. Cyprus	951,100	15
Sutter Securities	742,500	15
Raiffeisen Zentral Bank Oesterreich	99,800	15
Neonet Securities AB	3,922,599	15
Mizuho Securities USA, Inc.	815,265	15
Man Financial, Ltd.	1,348,573	15
Larrain Vial	851,860	15
ICAP Corporates, LLC	753,200	15
Goldman Sachs Exe & Clr L.P. Pb Cns	723,841	15
Credit Lyonnais Securities (Philippines)	1,931,490	15
Bradesco S/A Ctvm	1,417,600	15
Avondale Partners, LLC	499,918	15
CIBC World Markets Corporation	424,522	14
Various Brokers	11,350,988,628	1,388
TOTAL	617,576,377,872	\$84,418

Schedule of Fees & Costs for Private Equity Partners – PERF

Fund Name	2008 Fees & Costs ¹
1818 Fund II, LP	\$4,880
Aberdare Ventures IV, LP	327,134
Aberdare Ventures III, LP	576,314
Acon-Bastion Partners II, LP	1,183,467
Advent-Global Private Equity IV, LP	4,142,319
Advent International GPE V	349,678
Advent International GPE VI, LP	6,192,641
Advent Japan Private Equity Fund, LP	2,803,423
Advent Latin America Private Equity Fund IV, LP	4,306,371
Advent Latin American Private Equity Fund III	806,359
Affinity Asia Pacific Fund III, LP	3,325,271
Aisling Capital II, LP	1,593,430
Aisling Capital III, LP	273,434
Alta Biopharma Partners II, LP	710,604
Alta V, LP	19,926
American River Ventures I, LP	733,522
APA Excelsior IV, LP	15,462
Apollo Asia Opportunity Fund, LP	2,859,616
Apollo Credit Opportunities Fund, LP	911,141
Apollo European Principal Finance Fund, LP	3,130,890
Apollo Investment Fund III, LP	33,230
Apollo Investment Fund IV, LP	161,779
Apollo Investment Fund V, LP	270,602
Apollo Investment Fund VI, LP	756,033
Apollo Investment Fund VII, LP	9,903,475
Apollo Special Opportunities Managed Account, LP	19,636,661
Apollo/Artus Investors 2007 – I, LP	955,851
ArcLight Energy Partners Fund II, LP	672,161
ArcLight Energy Partners III, LP	3,226,196
ArcLight Energy Partners IV, LP	2,337,636
Ares Corporate Opportunities Fund II, LP	345,320
Ares Corporate Opportunities Fund III, LP	2,742,533
Ares Corporate Opportunities Fund, LP	791,377
Ares Special Situations Fund, LP	888,125
Asia Alternatives Capital Partners II, LP	508,794
Asia Alternatives Capital Partners, LP	1,705,736
Asia Recovery Fund, LP	99,215
Audax Credit Opportunities Fund, LP	2,642,461
Audax Mezzanine Fund II, LP	1,256,466
Audax Private Equity Fund II, LP	3,116,102
Audax Private Equity Fund III, LP	1,486,181
Aurora Equity Partners II, LP	232,901
Aurora Equity Partners III, LP	1,543,871
Aurora Equity Partners, LP	6,354
Aurora Resurgence Fund (C), LP	8,646,373
Avenue Asia Special Situations Fund III, LP	1,010,857
Avenue Asia Special Situations Fund IV, LP	7,009,299
Avenue Europe Special Situations Fund, LP	1,826,375
Avenue Special Situations Fund II, LP	18,969
Avenue Special Situations Fund III, LP	41,705
Avenue Special Situations Fund IV, LP	2,124,418
Avenue Special Situations Fund V, LP	5,703,365
Bank of America CA Community Venture Fund, LP	48,503
Baring Vostok Private Equity Fund IV, LP	1,686,562

Fund Name	2008 Fees & Costs ¹
Beacon Group Energy Investment Fund, LP	\$16,717
Birch Hill Equity Partners (US) III, LP	2,930,819
Blackstone Capital Partners II, LP	10,527
Blackstone Capital Partners III, LP	354,388
Blackstone Capital Partners IV, LP	975,928
Blackstone Capital Partners V, LP	4,577,209
Blackstone Communications Partners I, LP	687,884
Blackstone Mezzanine Partners, LP	202,204
Bridgepoint Europe II	267,199
Bridgepoint Europe III, LP	1,376,631
Bridgepoint Europe IV, LP	4,149,344
California Emerging Ventures II, LLC	867,369
California Emerging Ventures III, LLC	506,869
California Emerging Ventures IV, LLC	2,285,909
California Emerging Ventures, LLC	846,421
Candover 1997 Fund	7,400
Candover 2001 Fund	787,259
Candover 2005 Fund	3,158,195
Candover 2008 Fund	1,251,253
Capital Link Fund II, LP	3,380,204
Capital Link, LLC	5,765,949
Carlyle Asia Growth Partners III, LP	42,846
Carlyle Asia Growth Partners IV, LP	1,807,709
Carlyle Asia Partners II, LP	197,541
Carlyle Asia Partners III, LP	3,063,280
Carlyle Asia Partners, LP	618,300
Carlyle Asia Venture Partners II, LP	1,049,887
Carlyle Europe Partners II, LP	247
Carlyle Europe Partners III, LP	4,755,806
Carlyle Europe Real Estate Partners, LP	442,546
Carlyle Europe Technology Partners II, LP	689,303
Carlyle Global Financial Services Partners, LP	854,144
Carlyle High Yield Partners 2008, Ltd.	345,333
Carlyle Japan International Partners II, LP	3,880,493
Carlyle Japan Partners, LP	352,710
Carlyle Mexico Partners, LP	621,624
Carlyle Partners II, LP	12,267
Carlyle Partners III, LP	450,771
Carlyle Partners IV, LP	1,240,100
Carlyle Partners V, LP	8,186,960
Carlyle Realty Qualified Partners III, LP	7,648
Carlyle Strategic Partners II, LP	1,108,091
Carlyle Strategic Partners, LP	254,999
Carlyle Venture Partners II, LP	765,202
Carlyle Venture Partners III, LP	1,580,558
Carlyle/Riverstone Global Energy and Power Fund II, LP	664,955
Carlyle/Riverstone Global Energy and Power Fund III, LP	1,738,801
Carlyle/Riverstone Renewable Energy Infrastructure Fund I, LP	808,144
Central Valley Fund, LP, The	1,390,553
China Privatization Fund, LP	3,049,848
Clarus Lifesciences I, LP	629,051

Note:

¹ Fees and costs for the 1-year period ending December 31, 2008.

Schedule of Fees & Costs for Private Equity Partners – PERF (continued)

Fund Name	2008 Fees & Costs ¹	Fund Name	2008 Fees & Costs ¹
Clarus Lifesciences II, LP	\$1,351,524	Health Evolution Partners, LLC	\$6,366,000
Clearstone Venture Partners III-A, LP	19,670	Hellman & Friedman Capital Partners II, LP	4,429
Clearwater Capital Partners Fund II Holdings, LP	2,284,445	Hellman & Friedman Capital Partners IV, LP	36,936
Clearwater Capital Partners Fund III, LP	4,876,316	Hellman & Friedman Capital Partners V, LP	609,132
Clearwater Capital Partners I, LP	2,080,819	Hellman & Friedman Capital Partners VI, LP	1,993,308
Clessidra Capital Partners	1,527,198	Huntsman Gay Capital Partners, LP	2,638,849
Clessidra Capital Partners II, LP	2,970,400	ICV Partners II, LP	769,915
Coller International Partners III, LP	448,066	ICV Partners, LP	4,597
Coller International Partners IV, LP	730,274	Information Technology Ventures II, LP	1,487
Coller International Partners V, LP	8,082,126	Insight Venture Partners V, LP	716,382
Court Square Capital Partners II, LP	971,492	Insight Venture Partners VI, LP	1,198,863
Craton Equity Investors I, LP	1,266,625	Ironbridge Capital 2003/4, LP	1,649,470
CVC Capital Partners Asia Pacific II, LP	877,593	Ironbridge Fund II, LP	1,460,856
CVC Capital Partners Asia Pacific III, LP	2,398,145	ITU Ventures III, LP	89,984
CVC European Equity Partners II, LP	249,522	KB Mezzanine Fund II, LP	8,451
CVC European Equity Partners III, LP	53,688	KKR 2006 Fund, LP	36,350
CVC European Equity Partners IV, LP	1,598,922	KKR Asian Fund	3,899,089
CVC European Equity Partners Tandem Fund (B), LP	4,406,307	KKR European Fund II, LP	875,218
CVC European Equity Partners V, LP	7,150,772	KKR European Fund III, LP	2,987,164
CVC European Equity Partners, LP	50,575	KKR European Fund, LP	289,076
Darby Converging Europe Mezzanine Fund, LP	1,348,334	KKR Millennium Fund, LP	8,929
DFJ Element, LP	664,853	Kline Hawkes California, LP	15,355
DFJ Frontier Fund, LP	363,745	Kline Hawkes Pacific, LP	1,506,484
EM Alternatives	1,133,164	KPS Special Situations III, LP	2,744
Emergence Capital Partners, LP	379,001	Levine Leichtman Capital Partners Deep Value Fund, LP	1,226,684
Emerging Europe, LP	190,575	Levine Leichtman Capital Partners II, LP	500,457
EnerTech Capital Partners III, LP	148,469	Levine Leichtman Capital Partners III, LP	485,916
ESP – Golden Bear Europe Fund, LP	235,769	Levine Leichtman Capital Partners IV, LP	1,028,285
Essex Woodlands Health Ventures VIII, LP	2,271,180	Lexington Capital Partners II, LP	280,260
Exxel Capital Partners V, LP	2,894	Lexington Capital Partners III, LP	195,133
Falconhead Capital Partners II, LP	856,291	Lexington Capital Partners IV, LP	485,166
Fenway Partners Capital Fund, LP	84,185	Lexington Capital Partners V, LP	344,473
First Reserve Fund IX, LP	10,192	Lexington Middle Market Investors, LP	287,946
First Reserve Fund X, LP	340,240	Lightspeed Venture Partners VI, LP	575,888
First Reserve Fund XI, LP	2,005,155	Lightspeed Venture Partners VII, LP	729,346
First Reserve Fund XII, LP	4,479	Lime Rock Partners III, LP	532,314
Francisco Partners II, LP	710,456	Lime Rock Partners IV, LP	800,163
Francisco Partners, LP	188,531	Lime Rock Partners V, LP	1,069,209
FS Equity Partners III, LP	11,629	Lion Capital Fund II, LP	3,917,691
FS Equity Partners V, LP	712,535	Lombard Asia III, LP	777,643
Garage California Entrepreneurs Fund, LP	157,220	Lombard Thailand Partners, LP	19,218
Generation Capital Partners, LP	20,349	Lombard/Pacific Partners, LP	7,081
Giza Venture Fund IV, LP	191,017	Madison Dearborn Capital Partners II, LP	3,137
Gleacher Mezzanine Fund I, LP	125,783	Madison Dearborn Capital Partners III, LP	9,982
Gleacher Mezzanine Fund II, LP	1,028,907	Madison Dearborn Capital Partners IV, LP	7,669
Golden State Investment Fund, LLC	4,780,007	Madison Dearborn Capital Partners V, LP	3,531,907
Granite Global Ventures II, LP	609,224	Madison Dearborn Capital Partners, LP	7,536
Granite Global Ventures III, LP	1,276,159	Magnum Capital, LP	1,999,870
Green Capital Partners (GCP) California Fund, LP	490,196	Markstone Capital Partners, LP	1,154,594
Green Credit Investors, LP	728,781	Media/Communications Partners II, LP	589
Green Equity Investors III, LP	304,440	MHR Institutional Partners II, LP	437,086
Green Equity Investors IV, LP	534,248	MHR Institutional Partners III, LP	4,937,533
Green Equity Investors V, LP	5,179,504	New Enterprise Associates 12, LP	576,727
GSO Capital Opportunities Fund, LP	1,396,619		

Note:

¹ Fees and costs for the 1-year period ending December 31, 2008.

Schedule of Fees & Costs for Private Equity Partners – PERF (continued)

Fund Name	2008 Fees & Costs ¹	Fund Name	2008 Fees & Costs ¹
New Mountain Partners II, LP	\$686,889	SPV (VCOC), LP	\$438
New Mountain Partners III, LP	6,234,410	T3 Partners II, LP	66,285
Newbridge Asia III, LP	2,180,175	TA Subordinated Debt Fund II, LP	447,750
Newbridge Asia IV, LP	1,864,489	TA X, LP	1,784,568
NGEN II, LLC	321,869	Tailwind Capital Partners, (PP) LP	151,631
Nogales Investors Fund I, LP	4,720,492	TCW Special Credits Fund V (The Principal Fund)	3,944
Nogales Investors Fund II, LP	990,585	Technology Partners Fund V, LP	8,300
Oak Hill Capital Partners II, LP	300,948	Technology Partners Fund VI, LP	415,208
Oak Hill Capital Partners III, LP	5,654,034	Thomas H. Lee Equity Fund IV, LP	3,258
Opportunity Capital Partners IV, LP	256,870	Thomas H. Lee Equity Fund V, LP	814,313
Pacific Community Ventures Investments		Thomas H. Lee Equity Fund VI, LP	460,104
Partners II, LP	239,061	TowerBrook Investors GP II, LP	3,330,675
Palladium Equity Partners III, LP	4,592,368	TowerBrook Investors III, LP	2,670,803
Parish Capital I, LP	586,208	TowerBrook Investors, LP	102,702
Parish Capital II, LP	519,949	TPG Asia V, LP	8,474,860
PCG Clean Energy & Technology	2,881,741	TPG Biotechnology Partners II, LP	914,056
PCG Corporate Partners Fund II	4,213,070	TPG Biotechnology Partners III, LP	2,046,423
PCG Corporate Partners, LP	3,706,132	TPG Biotechnology Partners, LP	800,099
PCGI Global Opportunities Fund, LLC	6,381,829	TPG Credit Strategies, LP	34,297
Permira Europe I	35,156	TPG Partners III, LP	183,628
Permira Europe III	1,467,500	TPG Partners IV, LP	876,738
Permira IV	2,765,329	TPG Partners V, LP	4,258,673
Perseus-Soros Biopharmaceutical Fund, LP	353,383	TPG Partners VI, LP	10,956,955
Pharos Capital Partners II – A, LP	240,514	TPG Star, LP	3,968,565
Pinnacle Ventures II – B, LP	898	TPG Ventures, LP	4,954,733
Polish Enterprise Fund IV, LP	98,095	Tricor Pacific Capital Partners IV, LP	151,681
Polish Enterprise Fund V, LP	612,405	Trinity Ventures IX, LP	740,894
Polish Enterprise Fund VI, LP	2,871,949	TSG Capital Fund II, LP	4,241
Prospect Venture Partners II, LP	1,765,751	TSG Capital Fund III, LP	2,308
Prospect Venture Partners III, LP	1,242,639	VantagePoint CleanTech Partners, LP	58,145
Providence Equity Offshore Partners V, LP	66,761	VantagePoint Venture Partners 2006 (Q), LP	2,088,045
Providence Equity Partners V, LP	30,484	Vincente Capital Partners Growth Equity Fund, LP	1,164,924
Providence Equity Partners VI, LP	2,628,838	W Capital Partners II, LP	2,766,801
Q Street/Century, LLC	3,637,333	W Capital Partners, LP	240,471
Quadrangle Capital Partners II, LP	821,924	Wayzata Opportunities Fund II, LLC	5,285,630
Resolute Fund II	1,739,894	Wayzata Opportunities Fund, LLC	1,341,284
RFG Private Equity, LP No. 1	245,493	Welsh, Carson, Anderson & Stowe IX, LP	364,537
Rhone Partners III, LP	1,181,821	Welsh, Carson, Anderson & Stowe VI, LP	7,592
Rice Partners II, LP	22,987	Welsh, Carson, Anderson & Stowe VII, LP	9,090
Richardson Capital Private Equity, LP No. 2	824,942	Welsh, Carson, Anderson & Stowe VIII, LP	338,352
Ripplewood Partners II, LP	60,542	Welsh, Carson, Anderson & Stowe X, LP	804,460
Riverstone/Carlyle Global Energy & Power Fund IV	7,663,483	WLR Recovery Fund II, LP	175,445
Rosewood Capital Associates V, LP	1,220,762	WLR Recovery Fund III, LP	1,376,252
Sacramento Private Equity Partners, LP	1,500,000	WLR Recovery Fund IV, LP	5,986,125
SAIF Partners III, LP	1,730,887	WLR Recovery Fund, LP	66,164
Silver Lake Credit Fund, LP	1,187,895	Yucaipa American Alliance Fund I, LP	290,212
Silver Lake Partners II, LP	425,492	Yucaipa American Alliance Fund II, LP	1,767,707
Silver Lake Partners III, LP	6,281,014	Yucaipa American Special Situations Fund I, LP	704,824
Silver Lake Partners, LP	14,750	Yucaipa Corporate Initiatives Fund I, LP	1,525,902
Silver Lake Sumeru Fund, LP	2,959,095	Yucaipa Corporate Initiatives Fund II, LP	2,204,271
SpaceVest Fund, LP	14,390		
		TOTAL	\$486,931,837

Note:

¹ Fees and costs for the 1-year period ending December 31, 2008.

Schedule of Fees & Costs for Absolute Return Strategies Program – PERF

Fund Name	2008 Fees & Costs ¹
Aspect Alternative Fund, LLC	\$1,721,617
Atticus Global, LP	6,587,858
Black River Commodity Multi-Strategy Fund, LLC	4,132,707
Black River Fixed Income Relative Value Opportunity Fund, Ltd.	3,803,109
Brookside Capital Partners Fund, LP	2,986,248
BlueTrend Fund, LP	1,459,505
Canyon Special Opportunities	1,794,746
Canyon Value Realization Fund, LP	5,468,395
Carlyle Multi-Strategy Fund	584,530
Chatham Asset High Yield Offshore Fund, Ltd.	3,707,427
Chatham Asset Leveraged Loan Offshore Fund, Ltd.	2,615,050
CRG Partners, LP	2,023,872
Deephaven Market Neutral, LLC	2,419,155
Farallon Capital Offshore Investors, Inc. Class E	5,258,648
Lansdowne European Strategic Equity Fund, LP	3,012,559
Liberty Square Offshore Partners, Ltd.	1,962,672
O'Connor Global Quantitative Equity, LLC	2,261,185
O'Connor Global Fundamental Market Neutral Long Short, LLC	75,000
OZ Domestic Partners II, LP	7,895,509
PFM Diversified Fund, LP	7,188,152
Platinum Grove Contingent Capital	2,044,423
Rhapsody Fund, LP	1,126,457
SuttonBrook Capital Partners, LP	1,917,191
Tennenbaum Multi-Strategy Fund, LLC	2,208,773
The Marquee Fund, LP	1,149,568
Tosca	1,653,054
Tremblant Partners, LP	2,053,209
Wayzata Recovery Fund, LLC	3,135,242
Zaxis Institutional Partners, LP	2,282,104
KBC Asian Fund of Funds	1,248,414
Sparx Blue Diamond Fund, LP	812,584
Vision Blue Diamond Fund, LP	1,371,544
Ermitage Highbury Fund, LP	841,197
AIS Highbury Fund, LP	1,221,141
ERAAM Highbury Fund, LP	1,102,049
47 Degrees North New Generation 1848 Fund, LP	1,014,916
Rock Creek 1848 Fund, LP	815,975
PAAMCO 1848 Fund, LP	1,330,060
TOTAL	\$94,285,845

Note:

¹ Fees and costs for the 1-year period ending December 31, 2008.

Investment Performance – LRF

Domestic and international equity securities incurred negative returns of approximately 26.4 percent and negative 31.1 percent for fiscal year 2008-09 respectively, compared to the negative 13.4 percent and negative 8.5 percent for fiscal year 2007-08. CalPERS benchmark returns for the fiscal year 2008-09 were negative 26.5 percent and negative 30.9 percent. CalPERS uses the Custom S&P 500 Index and FTSE Developed World ex US & Tobacco Index (net of dividends), to provide a benchmark for the domestic and international equity investment returns, respectively. These benchmarks are representative of the returns that could be expected in a similar investing environment and reflect the overall market conditions.

Domestic debt securities returned 2.1 percent for fiscal year 2008-09, compared to 7.0 percent for fiscal year 2007-08. CalPERS benchmark return for fiscal year 2008-09 was 6.1 percent. CalPERS uses the Barclays

Long Liability Index to provide a benchmark for our fixed income investment returns. This benchmark is representative of the returns that could be expected in a similar investing environment, and reflects the overall market characteristics.

Wilshire Associates, the Board's pension consultant, prepares a Quarterly Report of Investment Performance for the Legislators' Retirement Fund based on performance calculations made by the Fund's custodian, State Street Bank & Trust. Below are the 1-year, 3-year, and 5-year time-weighted rates of return for the year ended June 30, 2009.

Per guidelines recommended by the Chartered Financial Analyst Institute, the Master Custodian for CalPERS computes monthly returns for portfolios, composites, and total plan. For periods greater than a month, a time series of linked monthly returns is used, producing a time-weighted effect.

LRF Portfolio Comparisons

Category	1-Year Return	3-Year Return	5-Year Return	Index	1-Year Return	3-Year Return	5-Year Return
TOTAL FUND	(10.2%)	0.4%	2.5%	Weighted Policy Benchmark ¹	(8.0%)	1.2%	3.3%
				Actuarial Rate	7.0%	7.0%	7.0%
				Trust Universe Comparison Service (TUCS) Public Fund Median ²	(17.1%)	(2.6%)	2.2%
Domestic Equity	(26.4%)	(8.4%)	(2.5%)	Custom S&P 500 Index ³	(26.5%)	(8.5%)	(2.5%)
				TUCS Equity Median	(26.0%)	(8.0%)	(0.9%)
				FTSE Developed World			
International Equity	(31.1%)	(6.9%)	3.1%	ex US & Tobacco Index	(30.9%)	(6.9%)	3.1%
Domestic Debt Securities	2.1%	5.3%	4.0%	Barclays Long Liability Index	6.1%	6.8%	5.7%

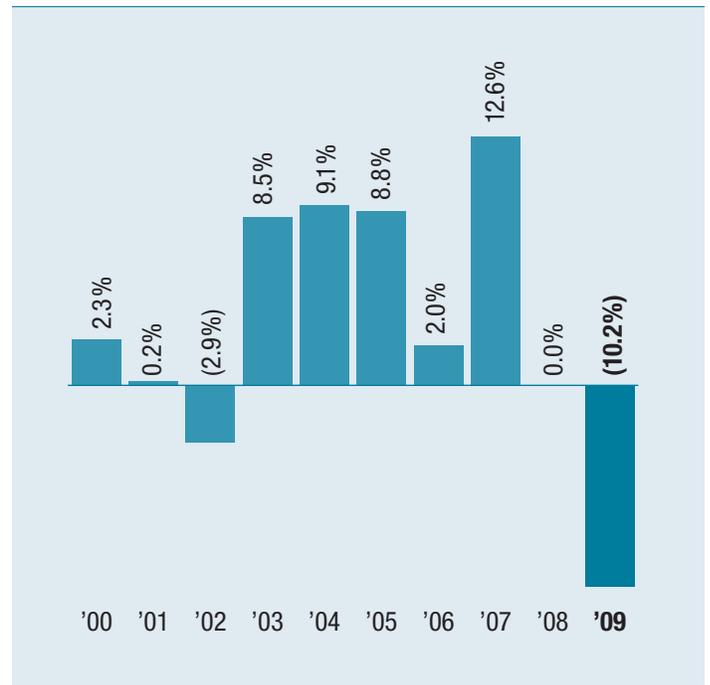
Notes:

- ¹ The Weighted Policy Benchmark returns for the LRF are based on asset class index returns, weighted by asset class policy targets.
- ² The Trust Universe Comparison Service (TUCS) is a universe of more than 1,000 client portfolio returns, subdivided by client type and asset class.
- ³ The Custom Tobacco-Free S&P 500 Index is used as the benchmark for the U.S. equity segments of the LRF, starting with the February 2001 performance.

LRF Investment Mix by Asset Class



LRF Total Fund Performance | 10-Year Review, One-Year Returns



Investment Performance – JRF II

Domestic and international equity securities incurred negative returns of approximately 26.4 percent and 31.1 percent, respectively, for fiscal year 2008-09, compared to the negative returns of 13.4 percent and 8.5 percent, respectively, for fiscal year 2007-08. CalPERS benchmark returns for fiscal year 2008-09 were a negative 26.5 percent and a negative 30.9 percent, respectively. CalPERS uses the Custom S&P 500 Index and FTSE Developed World ex US & Tobacco Index, respectively, to provide a benchmark for our domestic and international equity investment returns. These benchmarks are representative of the returns that could be expected in a similar investing environment, and reflect the overall market characteristics.

Domestic debt securities returned approximately 2.1 percent for the 2008-09 fiscal year, compared to 7.0 percent for fiscal year 2007-08. CalPERS benchmark return for fiscal year 2008-09 was 6.1 percent. CalPERS uses the Barclays Long Liability Index to provide a benchmark for fixed income investment returns. This benchmark is representative of the returns that could be expected in a similar investing environment.

For real estate investments, CalPERS benchmark returns for fiscal year 2008-09 was a negative 45.7 percent.

CalPERS uses the DJ Wilshire RESI Index as the benchmark. The DJ Wilshire RESI Index is a benchmark made up of publicly traded REITs and these assets contain the entire spectrum of real estate property types and fund structures. CalPERS continues to increase real estate holdings in opportunistic and international investments to fulfill investment diversification.

Short-term investments returned approximately 3.3 percent for fiscal year 2008-09, compared to 4.0 percent for fiscal year 2007-08.

Wilshire Associates, the Board's pension consultant, prepares a Quarterly Report of Investment Performance for the Judges' Retirement Fund II based on performance calculations made by the Fund's custodian, State Street Bank & Trust. The 1-year, 3-year, and 5-year time-weighted rates of return for the year ended June 30, 2009, are shown below.

Per guidelines recommended by the Chartered Financial Analyst Institute, the Master Custodian for CalPERS computes monthly returns for portfolios, composites, and total plan. For periods greater than a month, a time series of linked monthly returns is used, producing a time-weighted effect.

JRF II Portfolio Comparisons

Category	1-Year Return	3-Year Return	5-Year Return	Index	1-Year Return	3-Year Return	5-Year Return
TOTAL FUND	(19.7%)	(4.0%)	1.1%	Weighted Policy Benchmark ¹	(17.1%)	(3.0%)	1.5%
				Actuarial Rate	7.3%	7.3%	7.3%
				Trust Universe Comparison Service (TUCS) Public Fund Median ²	(17.1%)	(2.6%)	2.2%
Domestic Equity	(26.4%)	(8.4%)	(2.5%)	Custom S&P 500 Index ³	(26.5%)	(8.5%)	(2.5%)
				TUCS Equity Median	(26.0%)	(8.0%)	(0.9%)
				FTSE Developed World ex US & Tobacco Index	(30.9%)	(6.9%)	3.1%
International Equity	(31.1%)	(6.9%)	3.2%				
Domestic Debt Securities	2.1%	5.2%	3.9%	Barclays Long Liability Index	6.1%	6.8%	4.7%
Real Estate	(45.2%)	(19.0%)	—%	DJ Wilshire Index	(45.7%)	(19.9%)	(3.4%)
				TUCS Real Estate Median	(30.3%)	(4.0%)	4.8%

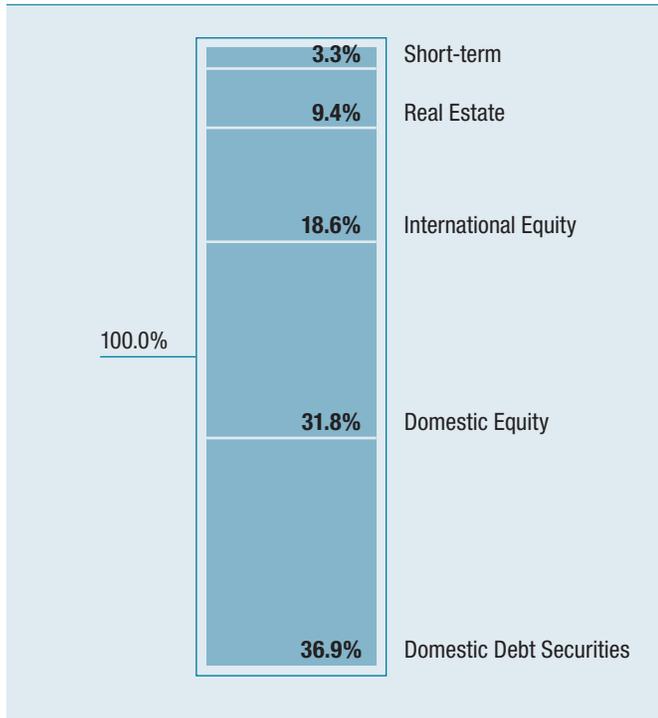
Notes:

¹ The Weighted Policy Benchmark returns for the JRF II are based on asset class index returns, weighted by asset class policy targets.

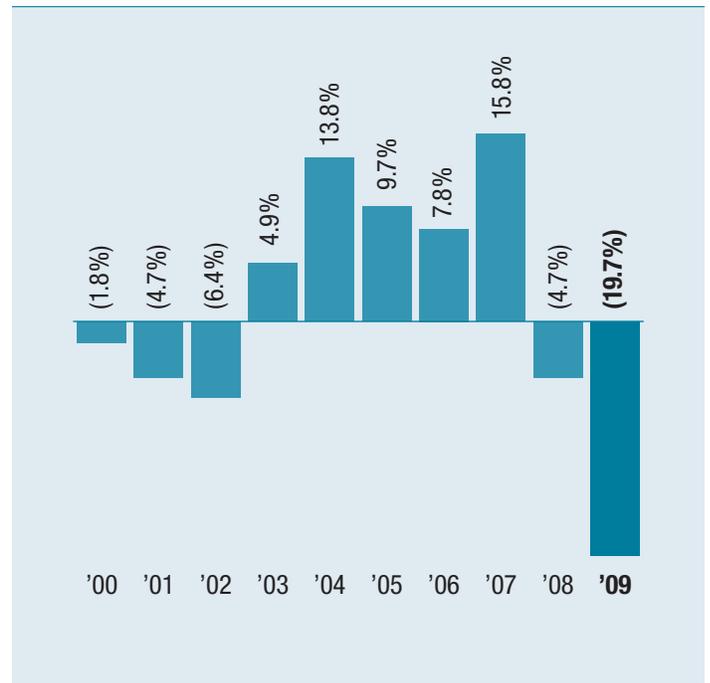
² The Trust Universe Comparison Service (TUCS) is a universe of more than 1,000 client portfolio returns, subdivided by client type and asset class.

³ The Custom Tobacco-Free S&P 500 Index is used as the benchmark for the U.S. equity segments of the JRF II, starting with the February 2001 performance.

JRF II Investment Mix by Asset Class



JRF II Total Fund Performance | 10-Year Review, One-Year Returns



Investment Performance – CERBTF

Domestic and international equity securities incurred losses of approximately 26.4 percent and 31.1 percent for the 2008-09 fiscal year, compared to the losses of 14.1 percent and 7.7 percent for fiscal year 2007-08. CalPERS benchmark for fiscal year 2008-09 was a negative 26.5 percent and a negative 30.9 percent. CalPERS uses the PERS Blended S&P 500 ex Tobacco Index and FTSE Developed World ex US & Tobacco Index to provide a benchmark for domestic and international equity investment returns.

Domestic debt securities returned approximately 2.1 percent, compared to 6.9 percent for fiscal year 2007-08. CalPERS benchmark return for fiscal year

2008-09 was 6.1 percent. CalPERS uses the Custom Long Liability Index to provide a benchmark for our fixed income investment returns.

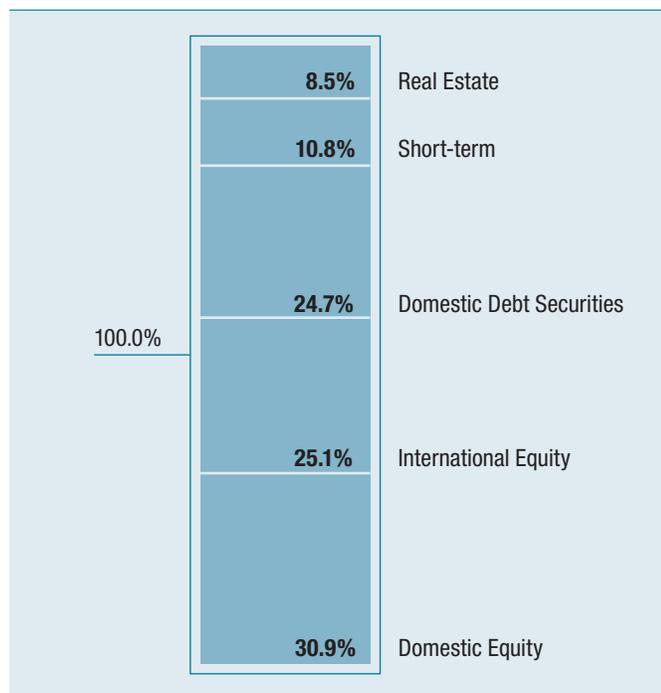
Real estate investments returned approximately a negative 44.4 percent, compared to negative 12.9 percent for fiscal year 2007-08. CalPERS benchmark return for real estate investments for fiscal year 2008-09 was a negative 45.7 percent. CalPERS uses the Custom REIT Index to provide a benchmark for real estate investment returns.

These benchmarks are representative of the returns that could be expected in a similar investing environment, and reflect the overall market environment.

CERBTF Portfolio Comparisons

Category	1-Year Return	3-Year Return	5-Year Return	Index	1-Year Return	3-Year Return	5-Year Return
TOTAL FUND	(23.0%)	—%	—%	CERBT Policy Benchmark Actuarial Rate	(21.9%)	—%	—%
Domestic Equity	(26.4%)	—%	—%	PERS Blended S&P 500 ex Tobacco	(26.5%)	—%	—%
International Equity	(31.1%)	—%	—%	CALPERS FTSE Dev World ex US & Tobacco	(30.9%)	—%	—%
Domestic Debt Securities	2.1%	—%	—%	CALPERS Custom Long Liability	6.1%	—%	—%
Real Estate	(44.4%)	—%	—%	CALPERS Custom REIT	(45.7%)	—%	—%

CERBTF Investment Mix by Asset Class



CERBTF Total Fund Performance | Two-Year Review, One-Year Returns



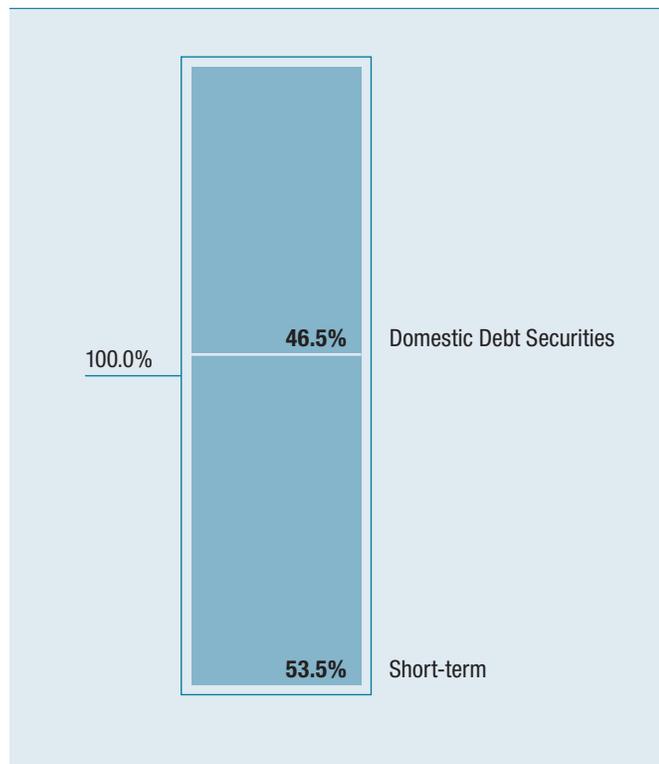
Investment Performance – HCF

Investments of the HCF at June 30, 2009, include highly liquid, short-term securities and domestic debt securities. These securities yielded a return of 3.4 percent.

HCF Portfolio Comparisons

Category	1-Year Return	3-Year Return	5-Year Return	Index	1-Year Return	3-Year Return	5-Year Return
TOTAL FUND	3.4%	—%	—%	Barclays Capital Aggregate Index	6.0%	—%	—%

HCF Investment Mix by Asset Class



HCF Total Fund Performance | One-Year Return



Investment Performance – LTCF

Domestic and international equity securities incurred losses of approximately 26.4 percent and 31.1 percent for the 2008-09 fiscal year, compared to the negative returns of 13.4 percent and 8.5 percent for fiscal year 2007-08. CalPERS benchmark returns for fiscal year 2008-09 were a negative 26.5 percent and a negative 30.9 percent. CalPERS uses the Custom S&P 500 Index and FTSE Developed World ex US & Tobacco Index to provide a benchmark for domestic and international equity investment returns.

Domestic debt securities consist of fixed income, high yield and TIPS securities. Fixed income securities returned approximately 2.1 percent for the 2008-09 fiscal year. CalPERS benchmark return for the fiscal year 2008-09 was 6.1 percent. CalPERS uses the Barclays Long Liability Index for fixed income investment returns. High yield

securities returned approximately a negative 6.6 percent for the 2008-09 fiscal year. CalPERS benchmark return for the fiscal year 2008-09 was a negative 3.6 percent. TIPS securities returned approximately 0.3 percent for the 2008-09 fiscal year. CalPERS benchmark return for the fiscal year 2008-09 was a negative 1.1 percent.

Real estate investments returned approximately a negative 45.5 percent, compared to negative 14.9 percent for fiscal year 2007-08. CalPERS benchmark return for real estate investments for fiscal year 2008-09 was a negative 45.7 percent. CalPERS uses the DJ Wilshire RESI Index to provide a benchmark for real estate investment returns.

These benchmarks are representative of the returns that could be expected in a similar investing environment, and reflect the overall market environment.

LTCF Portfolio Comparisons

Category	1-Year Return	3-Year Return	5-Year Return	Index	1-Year Return	3-Year Return	5-Year Return
TOTAL FUND	(16.2%)	(2.2%)	1.9%	Weighted Policy Benchmark ¹	(14.0%)	(1.5%)	2.1%
				Actuarial Rate	7.8%	7.8%	7.7%
				Trust Universe Comparison Service (TUCS) Public Fund Median ²	(17.1%)	(2.6%)	2.2%
Domestic Equity	(26.4%)	(8.4%)	(2.5%)	Custom S&P 500 Index ³	(26.5%)	(8.5%)	(2.5%)
				TUCS Equity Median	(26.0%)	(8.0%)	(0.9%)
International Equity	(31.1%)	(7.1%)	3.0%	FTSE Developed World ex US & Tobacco Index	(30.9%)	(6.9%)	3.1%
Domestic Debt Securities							
Fixed Income	2.1%	5.2%	4.1%	Barclays Long Liability Index	6.1%	6.8%	4.7%
High Yield	(6.6%)	0.5%	—%	Barclays Long Liability Index	(3.6%)	1.7%	—%
TIPS	0.3%	6.3%	—%	Barclays Long Liability Index	(1.1%)	5.9%	—%
Real Estate	(45.5%)	(19.6%)	—%	DJ Wilshire Index	(45.7%)	(19.9%)	(3.4%)
				TUCS Real Estate Median	(30.3%)	(4.0%)	4.8%

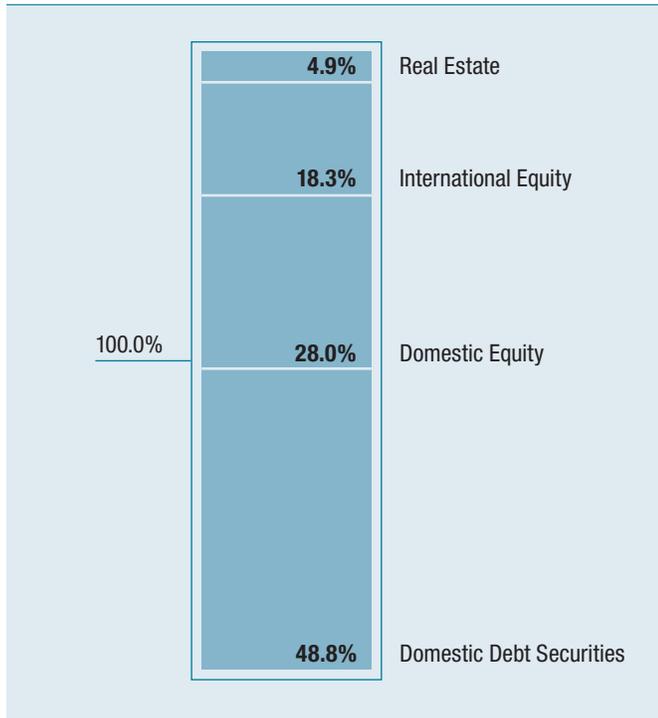
Notes:

¹ The Weighted Policy Benchmark returns for the LTCF are based on asset class index returns, weighted by asset class policy targets.

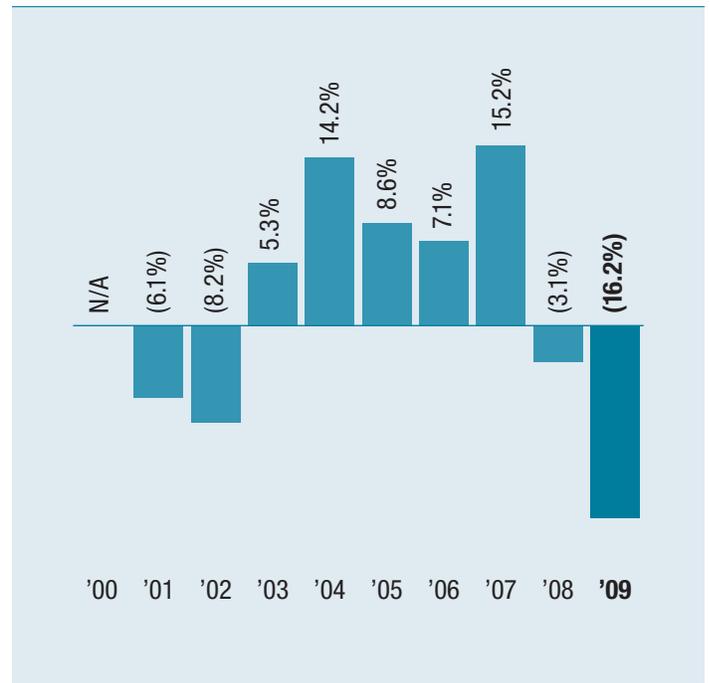
² The Trust Universe Comparison Service (TUCS) is a universe of more than 1,000 client portfolio returns, subdivided by client type and asset class.

³ The Custom Tobacco-Free S&P 500 Index is used as the benchmark for the U.S. equity segments of the LTCF, starting with the February 2001 performance.

LTCF Investment Mix by Asset Class



LTCF Total Fund Performance | 10-Year Review, One-Year Returns



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Actuarial Certification

June 30, 2009

The Board of Administration of the California Public Employees' Retirement System

As authorized, the CalPERS actuarial staff perform annual actuarial valuations of the CalPERS State, schools, and public agency defined benefit pension plans; the latest such valuations are as of June 30, 2008.

The funding objective for each of these plans is to accumulate assets equal to 100 percent of the accrued liability as measured by the Entry Age Normal Cost method in a manner that keeps contributions approximately level as a percentage of payroll. Unfunded actuarial liabilities or surplus assets (excess assets) are amortized pursuant to Board policy such that the amortization payment is not less than that required to amortize an unfunded liability over 30 years.

The actuarial assumptions and methods used for funding purposes meet the parameters set for disclosures

presented in the Financial Section by Governmental Accounting Standards Board Statements No. 25. In our opinion, the actuarial assumptions are internally consistent and produce results which are reasonable in the aggregate.

The valuations are based on the member and financial data as of the valuation date, extracted from the various CalPERS databases. Both the membership and financial data are subject to extensive tests for reasonableness.

Further, information has been provided by us for the completion of (i) the trend data schedules (Required Schedule of Funding Progress and Schedule of Employer Contributions) in the Financial Section, and (ii) Exhibits A through H in the Actuarial Section of the CAFR.

Ron Seeling, Ph.D., F.C.A., A.S.A., M.A.A.A.
Enrolled Actuary
Chief Actuary, CalPERS

Actuarial Methods & Assumptions

ACTUARIAL METHODS

The ultimate cost that a retirement system such as CalPERS incurs is equal to benefits paid plus the expenses resulting from administration and financing. These costs are paid through contributions to the plan and investment earnings on the System's assets.

The actuarial valuations rely upon data extracted from central databases maintained by CalPERS. These databases are created from data supplied by the individual employers. The data was not audited by the actuarial staff, but appears to be reasonable for valuation purposes. Summary information regarding plan membership data for various groups is provided in Exhibits F through H.

Using each plan's schedule of benefits, member data described above, and a set of actuarial assumptions, the plan's actuary estimates the cost of the benefits to be paid. Then, using a particular actuarial funding method, the actuary allocates these costs to the fiscal years within the employee's career.

In the case of the CalPERS plans with pay-related benefits, the financial objective is to fund in a manner which keeps contribution rates approximately as a level percentage of payroll from generation to generation, while accumulating sufficient assets over each member's working career. The primary funding method used to accomplish this objective is the Entry Age Normal Cost Method. This method is used for all defined benefit pay-related plans within CalPERS and for the Judges' Retirement System II (JRS II). It is also used for the Indexed Level of 1959 Survivor Benefits. The Public Employees' Retirement System uses the level dollar Aggregate Cost Method for those pay-related plans which are closed and declining in membership. This method is used for the Legislators' Retirement System (LRS) and the Judges' Retirement System (JRS).

For CalPERS non-pay-related plans, the financial objective is to produce annual costs that coincide with the value of benefits earned for that year. The Term Insurance Cost Method is used for the plans within the 1959 Survivor Program that are not indexed and for the State Group Term Life Insurance Program.

Annual actuarial valuations are performed each June 30 using these methods. This report contains information through the most recent valuation date of June 30, 2008.

Progress in financing can be found in the Summary of Funding Progress, Exhibits A and B.

The actuarial assumptions and methods used for funding purposes meet the parameters set for disclosures presented in the Financial Section by Governmental Accounting Standards Board Statements No. 25.

Entry Age Normal Cost Method

Under the Entry Age Normal Cost Method, projected benefits are determined for all members. For active members, liabilities are spread in a manner that produces level annual costs as a percent of pay in each year from the age of hire (entry age) to the assumed retirement age. The cost allocated to the current fiscal year is called the normal cost. The actuarial accrued liability for active members is then calculated as the portion of the total cost of the plan allocated to prior years.

The actuarial accrued liability for members currently receiving benefits, for active members beyond the assumed retirement age, and for inactive members entitled to deferred benefits is equal to the present value of the benefits expected to be paid. No normal costs are applicable for these participants.

The excess of the total actuarial accrued liability over the value of plan assets is called the unfunded actuarial accrued liability.

The required contribution is then determined by adding the normal cost and an amortization of the unfunded liability as a level percentage of assumed future payroll.

In the CalPERS case, the unfunded liability is broken down into components, or bases, according to their date of origin and the cause that gave rise to that component. A component of the unfunded liability that arose due to a change in plan provisions or in actuarial methods or assumptions is separately tracked and amortized over a declining 20-year period.

The actuarial assumptions discussed in this section are used to determine projected benefits. The effect of differences between those assumptions and the actual experience of the plan is calculated each year when the annual actuarial valuation is performed. These differences are actuarial gains or losses. Gains and losses are tracked separately and amortized over a rolling 30-year period.

A maximum 30-year amortization payment on the entire unfunded liability is enforced on the amortization methods described above. In addition, for those plans in which the amortization methods described above result in either mathematical inconsistencies or unreasonable actuarial results, all unfunded liability components are combined into a single base and amortized over a period of time, as determined by the CalPERS Chief Actuary. There is a minimum employer contribution equal to normal cost, less 30-year amortization of surplus (negative unfunded liability), if any.

Term Insurance Cost Method

The actuarial funding method for non-indexed levels of the 1959 Survivor Program is a modified Term Insurance Cost Method. Under this method, there is no actuarial accrued liability for active members; all liability is due to current beneficiaries. The normal cost is calculated as the amount needed to provide benefits to survivors of deaths expected in the next one-year period.

The Term Insurance Cost Method is also used for the State Group Term Life Insurance Program. The required contributions are calculated as one and one-half times the expected life insurance payments for the coming year less the current assets available to pay those benefits, but not less than zero.

Aggregate Cost Method

The Aggregate Cost Method is used for the LRS and JRS systems. Under this method, the difference between the present value of projected benefits and the assets of the plan is allocated over a specified period of time as a level dollar amount. The amount allocated to the current fiscal year is called the normal cost. There is no actuarial accrued liability calculated using the Aggregate Cost Method.

Asset Valuation Method

In order to dampen the effect of short-term market value fluctuations on employer contribution rates, the following asset-smoothing technique is used: first an Expected Value of Assets is computed by bringing forward the prior year's Actuarial Value of Assets and the contributions received and benefits paid during the year at the assumed actuarial

rate of return. The Actuarial Value of Assets is then computed as the Expected Value of Assets plus one-fifteenth of the difference between the actual Market Value of Assets and the Expected Value of Assets as of the valuation date. However, in no case will the Actuarial Value of Assets be less than 80 percent or greater than 120 percent of the actual Market Value of Assets. This methodology is used in the valuations for all programs except the JRS, which uses an Actuarial Value of Assets equal to the Market Value of the Fund plus accrued interest.

ACTUARIAL ASSUMPTIONS

The actuarial assumptions used in determining actuarial liabilities and required employer contributions include both economic and non-economic assumptions. These assumptions represent the actuary's best estimate of anticipated future experience and are reviewed in depth periodically.

Economic Assumptions

The economic assumptions include an assumed inflation assumption of 3.0 percent compounded annually. The inflation assumption is a component of assumed investment return, assumed wage growth, and assumed future post-retirement cost-of-living increases.

Based upon the asset allocation of the Public Employees' Retirement Fund (PERF), the assumed investment return (net of administrative and investment expenses) is 7.75 percent per year, compounded annually. Different asset allocations and lower assumed investment returns apply to LRF, JRF, and JRF II.

The assumed investment returns for these three plans are 7.0 percent, 4.5 percent, and 7.25 percent, respectively.

For plans within CalPERS, the overall payroll is assumed to increase 3.25 percent annually. This is based upon the 3.0 percent inflation assumption and a 0.25 percent per annum productivity increase assumption. The overall payroll growth assumption is used to project future payroll over which the unfunded liability is amortized.

For plans within CalPERS, the assumed growth in an individual employee's future pay is composed of the 3.0 percent inflation component, an additional 0.25 percent per annum productivity component, and an annual merit increase based on the member's length of service. The

service-based merit increase in an individual's salary recognizes that larger salary increases tend to occur earlier in an employee's career. Pay increase assumptions for individual members are shown for sample lengths of service in Exhibit C.

Non-Economic Assumptions

Non-economic assumptions for plans within the PERF are based upon demographic studies covering the period June 30, 1997 through June 30, 2002. The probabilities of service retirement, withdrawal from service, non-industrial disability, industrial disability, and death-in-service are shown for sample ages in Exhibit D. Individuals hired on or before June 30, 1982, are entitled to subsidized optional benefits. Certain valuation liabilities are increased to reflect this subsidy.

Post-retirement mortality tables are based on CalPERS experience. These tables are used to estimate the value of benefits expected to be paid for service and disability retirements. For disability retirements, impaired longevity is recognized by a separate table. Sample life annuity values based on these tables are shown in Exhibit E.

CHANGES SINCE PRIOR VALUATION

Changes in Actuarial Methods

There were no changes in actuarial methods since the prior year's actuarial valuation.

Changes in Actuarial Assumptions

There were no changes in actuarial assumptions.

Changes in Plan Provisions

Public agencies can make changes to their plan provisions, and such changes occur on an ongoing basis. A summary of the plan provisions that were used for a specific plan can be found in Appendix B of the plan's annual valuation report.

The only change in the plan provisions from the prior valuation is described below:

AB 2936 (2005–2006 Legislative Session) removed the increase in final compensation used for calculating retirement benefits provided by SB 439 (2003–2004 Legislative Session) for California Highway Patrol members employed in Bargaining Unit 5. The increase in final compensation will be according to the following schedule:

- 8 percent for members who retire or die on or after July 1, 2004, and prior to July 1, 2008
- 6 percent for members who retire or die on or after July 1, 2008, and prior to July 1, 2009
- 4 percent for members who retire or die on or after July 1, 2009, and prior to July 1, 2010
- 2 percent for members who retire or die on or after July 1, 2010, and prior to July 1, 2011
- No increase for members who retire or die on or after July 1, 2011.

Summary of Funding Progress

UNFUNDED LIABILITY & FUNDED RATIOS

For the plans in CalPERS, unfunded actuarial accrued liabilities are the difference between Entry Age Normal Accrued Liabilities and the assets of the Fund. It is required that these unfunded liabilities be financed systematically over future years.

Because of inflation, comparing the dollar amounts of assets, benefits paid, member salaries, and unfunded actuarial accrued liabilities can be misleading. While no one or two measures can fully describe the financial condition of a plan, the ratio of a pension plan's actuarial value of assets to its liabilities provides a meaningful index. However, a better measure is the funded ratio based on the market value of assets. This is the true measure of a plan's

ability to pay benefits. The higher this ratio, the stronger the plan and observation of this ratio over a period of years can give an indication as to the financial strength of the system. Both these measures are presented in Exhibit A.

SOLVENCY TEST

Exhibit B, Funding Progress — Solvency Test, demonstrates System solvency as measured under the Governmental Accounting Standards Board Statement No. 25.

INDEPENDENT REVIEW

To ensure the quality of its valuations, CalPERS contracts with independent consulting actuaries to review the valuations on a triennial basis.

Exhibit A: Funding Progress – Unfunded Liability & Funded Ratios

(Dollars in Millions)

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) – Entry Age (2)	Unfunded AAL (UAAL) (Funding Excess) (2)–(1)	Funded Ratio – Actuarial Value of Assets Basis (1)÷(2)	Annual Covered Payroll (3)	UAAL as a % of Covered Payroll [(2)–(1)]÷(3)	Market Value ¹ of Assets (4)	Funded Ratio – Market Value of Assets Basis ² (4)÷(2)
PERF								
6/30/99	\$148,605	\$115,748	(\$32,857)	128.4%	\$27,636	(118.9%)	\$159,567	137.9%
6/30/00	162,439	135,970	(26,469)	119.5	28,098	(94.2)	172,163	126.6
6/30/01	166,860	149,155	(17,705)	111.9	30,802	(57.5)	156,035	104.6
6/30/02	156,067	163,961	7,894	95.2	32,873	24.0	142,455	86.9
6/30/03	158,596	180,922	22,326	87.7	34,784	64.2	144,330	79.8
6/30/04	169,899	194,609	24,710	87.3	35,078	70.4	167,110	85.9
6/30/05	183,680	210,301	26,621	87.3	36,045	73.9	189,103	89.9
6/30/06	199,033	228,131	29,098	87.2	38,047	76.5	211,188	92.6
6/30/07	216,484	248,224	31,740	87.2	40,864	77.7	251,162	101.2
6/30/08	233,272	268,324	35,052 ³	86.9	44,236	79.2	238,041	88.7
LRF⁴								
6/30/07	\$142	\$102	(\$40)	139.2%	\$2	(2,000.0%)	\$142	139.2%
6/30/08	142	103	(39)	137.9	2	(1,950.0)	134	130.1
JRF^{4,5}								
6/30/07	\$12	\$2,714	\$2,702	0.4%	\$119	2,270.6%	\$12	0.4%
6/30/08	19	3,607	3,588	0.5	111	3,232.4	19	0.5
JRF II								
6/30/99	\$27	\$27	\$0	100.0%	\$40	0.0%	\$28	103.7%
6/30/00	41	42	1	97.6	43	2.3	41	97.6
6/30/01	56	61	5	91.8	62	8.1	52	85.2
6/30/02	72	76	4	94.7	73	5.5	65	85.5
6/30/03	96	105	9	91.4	87	10.3	91	86.7
6/30/04	129	138	9	93.5	99	9.1	129	93.5
6/30/05	168	178	10	94.4	112	8.9	172	96.6
6/30/06	213	220	7	96.8	125	5.6	219	99.5
6/30/07	268	295	27	90.8	156	17.3	291	98.6
6/30/08	335	367	32	91.3	175	18.3	325	88.6
CERBTf⁶								
6/30/07	\$11	\$24	\$13	45.8%	\$37	35.1%	\$11	45.8%
6/30/08	48	4,845	4,797	1.0	5,092	94.2	48	1.0
6/30/09 ⁷	354	6,336	5,982	5.6	7,848	76.2	335	5.3

Notes:

¹ The market value of assets is used in the June 30, 2008 actuarial valuations and is different from the fair value of assets as described in the footnote 1 to the Supplemental Schedule of Differences in the Actuarial Section.

² The funded ratio based on the market value of assets is the true measure of the plan's ability to pay benefits.

³ The Unfunded Actuarial Accrued Liability (the total Actuarial Liability in excess of actuarial value of assets) of the PERF by major employer group from the June 30, 2008 valuation is as follows: 1) \$18,355 for the State of California, 2) \$3,926 for schools, and 3) \$12,771 for public agencies.

⁴ LRF and JRF are funded using the Aggregate Actuarial Cost Method. The Aggregate Cost Method does not identify actuarial accrued liabilities and funded ratios. For this reason, no funding progress information is available for either the LRF or JRF prior

to June 30, 2007. Beginning with the June 30, 2007 actuarial valuation, CalPERS is complying with GASB Statement 50, which requires the funding progress to be disclosed using the Entry Age Actuarial Cost Method.

⁵ The actuarial assumption for the investment rate of return was reduced from 7.0 percent in the June 30, 2007 valuation to 4.5 percent in the June 30, 2008 valuation to reflect the funding of the JRF on a pay-as-you-go basis.

⁶ Only three years of funding progress information is shown because the CERBTf did not exist prior to the 2006-07 fiscal year.

⁷ The June 30, 2009 financial reporting is based on a total of 196 individual actuarial valuations with valuation dates generally ranging from June 30, 2007, to June 30, 2009. As a result, the asset values in this schedule will not equal the asset values on June 30, 2009.

Exhibit A: Funding Progress – Unfunded Liability & Funded Ratios (continued)

Supplemental Schedule of Differences

Reconciliation between the Net Assets Held in Trust for Pension Benefits and the Net Assets Allocated to Fund the Pension Benefit Obligation or the Actuarial Liability – June 30, 2008.

	PERF	LRF	JRF	JRF II
Net Assets Held in Trust for Pension Benefits Less:	\$237,915,478,144	\$134,119,000	\$19,246,000	\$325,422,000
Prior Year Adjustment	107,143,620	—	—	—
Member Additional Contributions	3,009,651	—	—	—
Reserve for Post-Retirement Redeposit	29,960,807	—	—	—
Reserve for Disability Installment Payments	71,714	—	—	—
Reserve for Purchasing Power Protection Account	1,969	—	—	—
Reserve for Deficiencies	467,929,557	—	—	—
Reserve for Fiduciary Self-Insurance	40,000,000	—	—	—
Other Reserves & Adjustments ¹	43,549,229	(21,532)	(43,000)	(28,514)
Receivables for Tier 1 Conversion & Service Buybacks ²	(817,403,402)	—	—	—
Difference Between Smoothed Market Value & Fair Value	4,768,918,000	(8,210,468)	—	(9,452,486)
ACTUARIAL VALUE OF ASSETS	\$233,272,297,000	\$142,351,000	\$19,289,000	\$334,903,000

Notes:

- ¹ Includes an OPEB expense that was charged against the fund but ignored in the actuarial valuation.
- ² The market value of assets and the actuarial value of assets used in the actuarial valuation include receivables from members who purchased years of service and are paying for it over time, as well as receivables for State members who would potentially convert their service from Second Tier to First Tier any time prior to retirement.

Exhibit B: Funding Progress – Solvency Test

The funding objective for a retirement system is to be able to pay long-term benefit promises through contributions that remain approximately level from year to year as a percent of salaries earned by members. In this way, members and employers in each year pay their fair share for retirement services accrued in that year by the retirement system's members.

If a system follows level contribution rate financing principles, it will pay all promised benefits when due – the ultimate test of financial soundness.

A short-term solvency test is one means of checking a system's funding progress. In a short-term solvency test, the plan's present assets (investments and cash) are compared with 1) member contributions on deposit, 2) the liabilities for future benefits to persons who have retired

or terminated, and 3) the liabilities for projected benefits for service already rendered by active members. In a system that has been following the discipline of level contribution rate financing, the liabilities for member contributions on deposit (liability 1) and the liabilities for future benefits to present retirees (liability 2) will be fully covered by present assets, except in rare circumstances.

In addition, the liabilities for service already rendered by members (liability 3) will be partially covered by the remainder of present assets. Generally, if the system has been using level contribution rate financing, the funded portion of liability 3 will increase over time.

Exhibit B illustrates the progress of funding liability of the PERF, JRF, JRF II, and LRF.

Valuation Date	Accrued Liability				Valuation Assets	Portion of Actuarial Accrued Liabilities Covered by Valuation Assets			
	Member Contributions ¹ (1)	Terminated, Retirees & Beneficiaries (2)	Employer-Financed Portion of Active Members (3)	Total Accrued Liability (1) + (2) + (3)			(1)	(2)	(3)
PERF (Dollars in Billions)									
6/30/03	\$27.5	\$84.0	\$69.4	\$180.9	\$158.6	100%	100%	67.8%	
6/30/04	29.4	92.5	72.7	194.6	169.9	100	100	66.0	
6/30/05	31.3	103.0	76.0	210.3	183.7	100	100	65.0	
6/30/06	31.6	111.4	85.1	228.1	199.0	100	100	65.8	
6/30/07	34.1	123.0	91.2	248.2	216.5	100	100	65.2	
6/30/08	36.7	133.8	97.8	268.3	233.3	100	100	64.2	
LRF² (Dollars in Millions)									
6/30/07	\$1.365	\$95.661	\$4.546	\$101.571	\$141.603	100%	100%	980.6%	
6/30/08	1.367	95.765	5.904	103.036	142.351	100	100	765.8	
JRF² (Dollars in Millions)									
6/30/07	\$118.940	\$1,773.682	\$821.019	\$2,713.640	\$11.672	10%	0.0%	0.0%	
6/30/08	114.128	1,883.956	1,608.761	3,606.845	19.289	17	0.0	0.0	
JRF II (Dollars in Millions)									
6/30/03	\$28.430	\$0.714	\$75.972	\$105.116	\$96.107	100%	100%	88.1%	
6/30/04	37.557	1.223	98.923	137.704	129.153	100	100	91.4	
6/30/05	51.211	1.786	124.764	177.761	167.556	100	100	91.8	
6/30/06	65.048	5.710	149.376	220.135	212.904	100	100	95.2	
6/30/07	81.693	5.340	207.950	294.983	267.604	100	100	86.8	
6/30/08	107.497	10.610	248.407	366.514	334.903	100	100	87.3	

Notes:

- ¹ Includes accrued interest on member contributions.
- ² LRF and JRF are funded using the Aggregate Actuarial Cost Method. The Aggregate Cost Method does not identify actuarial accrued liabilities and funded ratios. For this reason, no funding progress information is available for either the LRF or JRF prior

to June 30, 2007. Beginning with the June 30, 2007 actuarial valuation, CalPERS is complying with GASB Statement 50, which requires the funding progress to be disclosed using the Entry Age Actuarial Cost Method.

Exhibit C: Sample Pay Increase Assumptions for Individual Members

Annual Percentage Increases by Duration of Service¹

Duration of Service	State Miscellaneous First & Second Tier			State Industrial First & Second Tier			State Safety		
	Entry Age 20	Entry Age 30	Entry Age 40	Entry Age 20	Entry Age 30	Entry Age 40	Entry Age 20	Entry Age 30	Entry Age 40
0	13.35%	13.35%	8.25%	9.55%	8.85%	8.25%	7.55%	7.35%	7.15%
3	8.95	8.95	6.55	8.15	7.75	7.35	6.15	5.65	4.85
5	7.25	7.25	5.85	7.35	7.15	6.95	5.55	5.05	4.05
10	4.95	4.95	4.45	6.05	5.85	5.75	4.85	4.35	3.55
15	4.25	4.25	3.95	5.15	5.05	4.95	4.35	4.05	3.45
20	3.85	3.85	3.75	4.55	4.45	4.35	3.95	3.75	3.45
25	3.55	3.55	3.45	3.85	3.85	3.85	3.65	3.55	3.35
30	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25

Duration of Service	State Peace Officer/Firefighter			California Highway Patrol			School		
	Entry Age 20	Entry Age 30	Entry Age 40	Entry Age 20	Entry Age 30	Entry Age 40	Entry Age 20	Entry Age 30	Entry Age 40
0	19.95%	18.55%	16.85%	9.05%	9.05%	9.05%	11.05%	9.85%	8.45%
3	9.05	8.85	8.25	6.25	6.25	6.25	7.75	7.25	6.45
5	6.85	6.65	6.05	5.15	5.15	5.15	6.55	6.25	5.55
10	4.65	4.55	4.35	3.95	3.95	3.95	4.75	4.65	4.35
15	4.15	4.05	4.05	3.75	3.75	3.75	4.15	4.05	3.75
20	3.85	3.75	3.75	3.55	3.55	3.55	3.85	3.75	3.45
25	3.55	3.55	3.55	3.45	3.45	3.45	3.55	3.55	3.35
30	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25

Duration of Service	Public Agency Miscellaneous			Public Agency Fire			Public Agency Police		
	Entry Age 20	Entry Age 30	Entry Age 40	Entry Age 20	Entry Age 30	Entry Age 40	Entry Age 20	Entry Age 30	Entry Age 40
0	14.45%	12.65%	10.05%	10.75%	10.75%	10.45%	11.15%	11.15%	11.15%
3	9.05	8.25	6.95	8.25	7.75	6.25	7.45	7.25	6.65
5	7.25	6.75	5.85	7.15	6.45	4.75	6.15	5.75	5.05
10	5.05	4.85	4.35	5.35	4.85	3.75	4.75	4.45	3.65
15	4.55	4.35	3.85	4.35	4.15	3.65	4.35	4.15	3.55
20	4.15	3.95	3.55	3.95	3.85	3.45	3.95	3.85	3.45
25	3.65	3.65	3.45	3.55	3.55	3.35	3.65	3.55	3.35
30	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25

Duration of Service	Public Agency County Peace Officer		
	Entry Age 20	Entry Age 30	Entry Age 40
0	13.15%	13.15%	13.15%
3	8.45	7.95	7.35
5	6.85	6.25	5.55
10	4.85	4.45	4.05
15	4.35	4.05	3.85
20	3.95	3.85	3.65
25	3.65	3.55	3.45
30	3.25	3.25	3.25

Note:

¹ Increase includes the assumed inflation rate of 3.0 percent per year.

Exhibit D: Sample Non-Economic Assumptions

State Miscellaneous First Tier | Probability of an active member leaving due to:

AGE ¹	Termination with Refund	Termination with Vested Deferred Benefits	Service Retirement		Non-Industrial Death		Non-Industrial Disability		Industrial Death	Industrial Disability
	5 Years ²	5 Years ²	10 Years ²	25 Years ²	Male	Female	Male	Female	Male & Female	Male & Female
20	0.02070	0.03520	N/A	N/A	0.00019	0.00009	0.00010	0.00010	N/A	N/A
25	0.01870	0.03190	N/A	N/A	0.00027	0.00014	0.00020	0.00050	N/A	N/A
30	0.01680	0.02860	N/A	N/A	0.00038	0.00021	0.00030	0.00100	N/A	N/A
35	0.01490	0.02530	N/A	N/A	0.00054	0.00031	0.00050	0.00140	N/A	N/A
40	0.01290	0.02210	N/A	N/A	0.00077	0.00046	0.00120	0.00220	N/A	N/A
45	0.01100	0.00000	N/A	N/A	0.00110	0.00068	0.00220	0.00350	N/A	N/A
50	0.00910	0.00000	0.00880	0.01870	0.00156	0.00102	0.00380	0.00560	N/A	N/A
55	0.00710	0.00000	0.03170	0.06730	0.00221	0.00151	0.00400	0.00700	N/A	N/A
56	0.00680	0.00000	0.02550	0.05410	0.00237	0.00164	0.00380	0.00690	N/A	N/A
57	0.00640	0.00000	0.03220	0.06830	0.00255	0.00178	0.00350	0.00680	N/A	N/A
58	0.00600	0.00000	0.04010	0.08510	0.00273	0.00192	0.00320	0.00650	N/A	N/A
59	0.00560	0.00000	0.04680	0.09940	0.00293	0.00208	0.00290	0.00610	N/A	N/A
60	0.00520	0.00000	0.06970	0.14790	0.00314	0.00226	0.00260	0.00570	N/A	N/A
61	0.00480	0.00000	0.06930	0.14710	0.00337	0.00244	0.00230	0.00530	N/A	N/A
62	0.00440	0.00000	0.12520	0.26590	0.00362	0.00265	0.00210	0.00490	N/A	N/A
63	0.00400	0.00000	0.14970	0.31790	0.00388	0.00287	0.00190	0.00460	N/A	N/A
64	0.00370	0.00000	0.09890	0.20990	0.00416	0.00310	0.00170	0.00420	N/A	N/A
65	0.00330	0.00000	0.14470	0.30730	0.00447	0.00336	0.00150	0.00380	N/A	N/A
70	0.00130	0.00000	0.10680	0.22680	0.00634	0.00500	0.00150	0.00380	N/A	N/A

State Miscellaneous Second Tier | Probability of an active member leaving due to:

AGE ¹	Termination with Refund	Termination with Vested Deferred Benefits	Service Retirement ³		Non-Industrial Death		Non-Industrial Disability		Industrial Death	Industrial Disability
	5 Years ²	5 Years ²	10 Years ²	25 Years ²	Male	Female	Male	Female	Male & Female	Male & Female
20	0.08430	0.05890	N/A	N/A	0.00019	0.00009	0.00010	0.00010	N/A	N/A
25	0.07800	0.05260	N/A	N/A	0.00027	0.00014	0.00020	0.00040	N/A	N/A
30	0.07170	0.04630	N/A	N/A	0.00038	0.00021	0.00030	0.00060	N/A	N/A
35	0.06540	0.04000	N/A	N/A	0.00054	0.00031	0.00030	0.00170	N/A	N/A
40	0.05910	0.00000	N/A	N/A	0.00077	0.00046	0.00230	0.00410	N/A	N/A
45	0.05280	0.00000	N/A	N/A	0.00110	0.00068	0.00420	0.00680	N/A	N/A
50	0.04650	0.00000	0.00880	0.01870	0.00156	0.00102	0.00580	0.00990	N/A	N/A
55	0.04020	0.00000	0.03170	0.06730	0.00221	0.00151	0.00730	0.01230	N/A	N/A
56	0.03900	0.00000	0.02550	0.05410	0.00237	0.00164	0.00750	0.01260	N/A	N/A
57	0.03770	0.00000	0.03220	0.06830	0.00255	0.00178	0.00770	0.01290	N/A	N/A
58	0.03650	0.00000	0.04010	0.08510	0.00273	0.00192	0.00780	0.01310	N/A	N/A
59	0.03520	0.00000	0.04680	0.09940	0.00293	0.00208	0.00800	0.01330	N/A	N/A
60	0.03390	0.00000	0.06970	0.14790	0.00314	0.00226	0.00810	0.01340	N/A	N/A
61	0.03270	0.00000	0.06930	0.14710	0.00337	0.00244	0.00830	0.01340	N/A	N/A
62	0.03140	0.00000	0.12520	0.26590	0.00362	0.00265	0.00840	0.01340	N/A	N/A
63	0.03020	0.00000	0.14970	0.31790	0.00388	0.00287	0.00860	0.01340	N/A	N/A
64	0.02890	0.00000	0.09890	0.20990	0.00416	0.00310	0.00870	0.01340	N/A	N/A
65	0.02770	0.00000	0.14470	0.30730	0.00447	0.00336	0.00890	0.01330	N/A	N/A
70	0.02140	0.00000	0.10680	0.22680	0.00634	0.00500	0.00890	0.01330	N/A	N/A

Notes:

¹ Age for Termination with Refund and Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

² Years of service.

³ State Miscellaneous Tier 2 members have the right to convert their Tier 2 service to Tier 1 service provided that they make up the shortfall in their accumulated contributions with interest. The assumption is that all Tier 2 members will elect to convert to Tier 1 service.

Exhibit D: Sample Non-Economic Assumptions (continued)

California Highway Patrol | Probability of an active member leaving due to:

YRS ¹	Termination with Refund	AGE ²	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ¹	10 Years ¹	25 Years ¹	Male	Female	Male & Female	Male & Female	Male & Female	
0	0.01150	20	0.00610	N/A	N/A	0.00019	0.00009	0.00010	0.00003	0.00090	
1	0.01110	25	0.00610	N/A	N/A	0.00027	0.00014	0.00010	0.00007	0.00170	
2	0.01080	30	0.00610	N/A	N/A	0.00038	0.00021	0.00010	0.00010	0.00250	
3	0.01040	35	0.00610	N/A	N/A	0.00054	0.00031	0.00010	0.00013	0.00330	
4	0.01010	40	0.00610	N/A	N/A	0.00077	0.00046	0.00010	0.00017	0.00420	
5	0.00360	45	0.00000	N/A	N/A	0.00110	0.00068	0.00020	0.00020	0.00500	
6	0.00340	50	0.00000	0.00440	0.01320	0.00156	0.00102	0.00020	0.00023	0.00580	
7	0.00320	55	0.00000	0.02800	0.08400	0.00221	0.00151	0.00020	0.00027	0.11890	
8	0.00300	56	0.00000	0.02710	0.08130	0.00237	0.00164	0.00020	0.00027	0.11890	
9	0.00280	57	0.00000	0.02990	0.08970	0.00255	0.00178	0.00020	0.00028	0.11890	
10	0.00260	58	0.00000	0.02990	0.06860	0.00273	0.00192	0.00020	0.00029	0.11890	
15	0.00170	59	0.00000	0.04530	0.13580	0.00293	0.00208	0.00020	0.00029	0.11890	
20	0.00100	60	0.00000	1.00000	1.00000	0.00314	0.00226	0.00020	0.00030	0.11890	
25	0.00050	61	0.00000	1.00000	1.00000	0.00337	0.00244	0.00020	0.00031	0.11890	
30	0.00030	62	0.00000	1.00000	1.00000	0.00362	0.00265	0.00020	0.00031	0.11890	
35	0.00030	63	0.00000	1.00000	1.00000	0.00388	0.00287	0.00020	0.00032	0.11890	
40	0.00030	64	0.00000	1.00000	1.00000	0.00416	0.00310	0.00020	0.00033	0.11890	
45	0.00030	65	0.00000	1.00000	1.00000	0.00447	0.00336	0.00020	0.00033	0.11890	
50	0.00000	70	0.00000	1.00000	1.00000	0.00634	0.00500	0.00020	0.00037	0.11890	

School | Probability of an active member leaving due to:

AGE ³	Termination with Refund	Termination with Vested Deferred Benefits	Service Retirement		Non-Industrial Death		Non-Industrial Disability		Industrial Death	Industrial Disability
	5 Years ²	5 Years ²	10 Years ²	25 Years ²	Male	Female	Male	Female	Male & Female	Male & Female
20	0.03470	0.05910	N/A	N/A	0.00019	0.00009	0.00010	0.00010	N/A	N/A
25	0.03110	0.05310	N/A	N/A	0.00027	0.00014	0.00020	0.00010	N/A	N/A
30	0.02760	0.04700	N/A	N/A	0.00038	0.00021	0.00040	0.00030	N/A	N/A
35	0.02400	0.04100	N/A	N/A	0.00054	0.00031	0.00080	0.00050	N/A	N/A
40	0.02050	0.03490	N/A	N/A	0.00077	0.00046	0.00140	0.00100	N/A	N/A
45	0.01690	0.00000	N/A	N/A	0.00110	0.00068	0.00280	0.00160	N/A	N/A
50	0.01340	0.00000	0.00710	0.01310	0.00156	0.00102	0.00500	0.00300	N/A	N/A
55	0.00980	0.00000	0.03840	0.07070	0.00221	0.00151	0.00720	0.00470	N/A	N/A
56	0.00910	0.00000	0.03140	0.05780	0.00237	0.00164	0.00740	0.00470	N/A	N/A
57	0.00840	0.00000	0.03370	0.06200	0.00255	0.00178	0.00750	0.00470	N/A	N/A
58	0.00770	0.00000	0.04020	0.07390	0.00273	0.00192	0.00740	0.00440	N/A	N/A
59	0.00700	0.00000	0.04570	0.08420	0.00293	0.00208	0.00730	0.00410	N/A	N/A
60	0.00630	0.00000	0.07290	0.13420	0.00314	0.00226	0.00710	0.00370	N/A	N/A
61	0.00560	0.00000	0.07210	0.13280	0.00337	0.00244	0.00690	0.00340	N/A	N/A
62	0.00490	0.00000	0.15120	0.27840	0.00362	0.00265	0.00660	0.00310	N/A	N/A
63	0.00410	0.00000	0.13630	0.25100	0.00388	0.00287	0.00630	0.00270	N/A	N/A
64	0.00340	0.00000	0.10600	0.19510	0.00416	0.00310	0.00600	0.00240	N/A	N/A
65	0.00270	0.00000	0.17970	0.33080	0.00447	0.00336	0.00570	0.00200	N/A	N/A
70	0.00040	0.00000	0.13080	0.24080	0.00634	0.00500	0.00570	0.00200	N/A	N/A

Notes:

¹ Years of service.

² Age for Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

³ Age for Termination with Refund and Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

Exhibit D: Sample Non-Economic Assumptions (continued)

State Safety | Probability of an active member leaving due to:

YRS ¹	Termination with Refund	AGE ²	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ¹	10 Years ¹	25 Years ¹	Male	Female	Male & Female	Male & Female	Male & Female	
0	0.14320	20	0.01450	N/A	N/A	0.00019	0.00009	0.00040	0.00003	0.00020	
1	0.09160	25	0.01450	N/A	N/A	0.00027	0.00014	0.00060	0.00007	0.00090	
2	0.05070	30	0.01450	N/A	N/A	0.00038	0.00021	0.00070	0.00010	0.00180	
3	0.04150	35	0.01450	N/A	N/A	0.00054	0.00031	0.00080	0.00013	0.00270	
4	0.03230	40	0.01450	N/A	N/A	0.00077	0.00046	0.00080	0.00017	0.00360	
5	0.00850	45	0.00000	N/A	N/A	0.00110	0.00068	0.00120	0.00020	0.00440	
6	0.00790	50	0.00000	0.01610	0.04170	0.00156	0.00102	0.00240	0.00023	0.00530	
7	0.00740	55	0.00000	0.07790	0.20170	0.00221	0.00151	0.00340	0.00027	0.00800	
8	0.00690	56	0.00000	0.05590	0.14460	0.00237	0.00164	0.00360	0.00027	0.00800	
9	0.00640	57	0.00000	0.05840	0.15110	0.00255	0.00178	0.00380	0.00028	0.00800	
10	0.00590	58	0.00000	0.05260	0.13610	0.00273	0.00192	0.00390	0.00029	0.00800	
15	0.00380	59	0.00000	0.06260	0.16200	0.00293	0.00208	0.00410	0.00029	0.00800	
20	0.00220	60	0.00000	0.06710	0.17350	0.00314	0.00226	0.00430	0.00030	0.00800	
25	0.00090	61	0.00000	0.07020	0.18180	0.00337	0.00244	0.00440	0.00031	0.00800	
30	0.00050	62	0.00000	0.09290	0.24050	0.00362	0.00265	0.00460	0.00031	0.00800	
35	0.00050	63	0.00000	0.08570	0.22180	0.00388	0.00287	0.00480	0.00032	0.00800	
40	0.00050	64	0.00000	0.09140	0.23660	0.00416	0.00310	0.00490	0.00033	0.00800	
45	0.00050	65	0.00000	0.13180	0.34110	0.00447	0.00336	0.00510	0.00033	0.00800	
50	0.00000	70	0.00000	1.00000	1.00000	0.00634	0.00500	0.00510	0.00037	0.00800	

State Peace Officer/Firefighter | Probability of an active member leaving due to:

YRS ¹	Termination with Refund	AGE ²	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ¹	10 Years ¹	25 Years ¹	Male	Female	Male & Female	Male & Female	Male & Female	
0	0.14320	20	0.01450	N/A	N/A	0.00019	0.00009	0.00010	0.00003	0.00030	
1	0.09160	25	0.01450	N/A	N/A	0.00027	0.00014	0.00010	0.00007	0.00150	
2	0.05070	30	0.01450	N/A	N/A	0.00038	0.00021	0.00010	0.00010	0.00300	
3	0.04150	35	0.01450	N/A	N/A	0.00054	0.00031	0.00020	0.00013	0.00450	
4	0.03230	40	0.01450	N/A	N/A	0.00077	0.00046	0.00050	0.00017	0.00600	
5	0.00850	45	0.00000	N/A	N/A	0.00110	0.00068	0.00080	0.00020	0.00750	
6	0.00790	50	0.00000	0.01610	0.04170	0.00156	0.00102	0.00130	0.00023	0.00900	
7	0.00740	55	0.00000	0.07790	0.20170	0.00221	0.00151	0.00190	0.00027	0.02080	
8	0.00690	56	0.00000	0.05590	0.14460	0.00237	0.00164	0.00200	0.00027	0.02080	
9	0.00640	57	0.00000	0.05840	0.15110	0.00255	0.00178	0.00210	0.00028	0.02080	
10	0.00590	58	0.00000	0.05260	0.13610	0.00273	0.00192	0.00220	0.00029	0.02080	
15	0.00380	59	0.00000	0.06260	0.16200	0.00293	0.00208	0.00240	0.00029	0.02080	
20	0.00220	60	0.00000	0.06710	0.17350	0.00314	0.00226	0.00250	0.00030	0.02080	
25	0.00090	61	0.00000	0.07020	0.18180	0.00337	0.00244	0.00260	0.00031	0.02080	
30	0.00050	62	0.00000	0.09290	0.24050	0.00362	0.00265	0.00270	0.00031	0.02080	
35	0.00050	63	0.00000	0.08570	0.22180	0.00388	0.00287	0.00290	0.00032	0.02080	
40	0.00050	64	0.00000	0.09140	0.23660	0.00416	0.00310	0.00300	0.00033	0.02080	
45	0.00050	65	0.00000	0.13180	0.34110	0.00447	0.00336	0.00310	0.00033	0.02080	
50	0.00000	70	0.00000	1.00000	1.00000	0.00634	0.00500	0.00310	0.00037	0.02080	

Notes:

¹ Years of service.

² Age for Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

Exhibit D: Sample Non-Economic Assumptions (continued)

Public Agency 2% at 55 Miscellaneous | Probability of an active member leaving due to:

AGE ¹	Termination with Refund	Termination with Vested Deferred Benefits	Service Retirement		Non-Industrial Death		Non-Industrial Disability		Industrial Death	Industrial Disability
	5 Years ²	5 Years ²	10 Years ²	25 Years ²	Male	Female	Male	Female	Male & Female	Male & Female
20	0.02830	0.04820	N/A	N/A	0.00019	0.00009	0.00010	0.00010	N/A	N/A
25	0.02570	0.04390	N/A	N/A	0.00027	0.00014	0.00020	0.00020	N/A	N/A
30	0.02320	0.03950	N/A	N/A	0.00038	0.00021	0.00020	0.00040	N/A	N/A
35	0.02060	0.03510	N/A	N/A	0.00054	0.00310	0.00080	0.00100	N/A	N/A
40	0.01810	0.03070	N/A	N/A	0.00077	0.00460	0.00150	0.00160	N/A	N/A
45	0.01550	0.00000	N/A	N/A	0.00110	0.00068	0.00240	0.00230	N/A	N/A
50	0.01290	0.00000	0.01840	0.03070	0.00156	0.00102	0.00370	0.00350	N/A	N/A
55	0.01040	0.00000	0.06040	0.10080	0.00221	0.00151	0.00490	0.00410	N/A	N/A
56	0.00990	0.00000	0.05020	0.08380	0.00237	0.00164	0.00510	0.00410	N/A	N/A
57	0.00930	0.00000	0.05420	0.09050	0.00255	0.00178	0.00530	0.00410	N/A	N/A
58	0.00880	0.00000	0.06010	0.10030	0.00273	0.00192	0.00530	0.00400	N/A	N/A
59	0.00830	0.00000	0.06480	0.10820	0.00293	0.00208	0.00540	0.00390	N/A	N/A
60	0.00780	0.00000	0.09080	0.15160	0.00314	0.00226	0.00550	0.00390	N/A	N/A
61	0.00730	0.00000	0.09080	0.15160	0.00337	0.00244	0.00550	0.00380	N/A	N/A
62	0.00680	0.00000	0.01620	0.27040	0.00362	0.00265	0.00550	0.00370	N/A	N/A
63	0.00630	0.00000	0.16360	0.27310	0.00388	0.00287	0.00550	0.00360	N/A	N/A
64	0.00580	0.00000	0.11820	0.19740	0.00416	0.00310	0.00540	0.00350	N/A	N/A
65	0.00520	0.00000	0.22090	0.36880	0.00447	0.00336	0.00540	0.00330	N/A	N/A
70	0.00270	0.00000	0.15550	0.25960	0.00634	0.00500	0.00540	0.00330	N/A	N/A

Public Agency 2.5% at 55 Miscellaneous | Probability of an active member leaving due to:

AGE ¹	Termination with Refund	Termination with Vested Deferred Benefits	Service Retirement		Non-Industrial Death		Non-Industrial Disability		Industrial Death	Industrial Disability
	5 Years ²	5 Years ²	10 Years ²	25 Years ²	Male	Female	Male	Female	Male & Female	Male & Female
20	0.02830	0.04820	N/A	N/A	0.00019	0.00009	0.00010	0.00010	N/A	N/A
25	0.02570	0.04390	N/A	N/A	0.00027	0.00014	0.00020	0.00020	N/A	N/A
30	0.02320	0.03950	N/A	N/A	0.00038	0.00021	0.00020	0.00040	N/A	N/A
35	0.02060	0.03510	N/A	N/A	0.00054	0.00310	0.00080	0.00100	N/A	N/A
40	0.01810	0.03070	N/A	N/A	0.00077	0.00460	0.00150	0.00160	N/A	N/A
45	0.01550	0.00000	N/A	N/A	0.00110	0.00068	0.00240	0.00230	N/A	N/A
50	0.01290	0.00000	0.05000	0.07000	0.00156	0.00102	0.00370	0.00350	N/A	N/A
55	0.01040	0.00000	0.08000	0.09000	0.00221	0.00151	0.00490	0.00410	N/A	N/A
56	0.00990	0.00000	0.06000	0.07000	0.00237	0.00164	0.00510	0.00410	N/A	N/A
57	0.00930	0.00000	0.07000	0.06000	0.00255	0.00178	0.00530	0.00410	N/A	N/A
58	0.00880	0.00000	0.08000	0.10000	0.00273	0.00192	0.00530	0.00400	N/A	N/A
59	0.00830	0.00000	0.09000	0.09000	0.00293	0.00208	0.00540	0.00390	N/A	N/A
60	0.00780	0.00000	0.16000	0.12000	0.00314	0.00226	0.00550	0.00390	N/A	N/A
61	0.00730	0.00000	0.15000	0.10000	0.00337	0.00244	0.00550	0.00380	N/A	N/A
62	0.00680	0.00000	0.26000	0.21000	0.00362	0.00265	0.00550	0.00370	N/A	N/A
63	0.00630	0.00000	0.22000	0.18000	0.00388	0.00287	0.00550	0.00360	N/A	N/A
64	0.00580	0.00000	0.15000	0.13000	0.00416	0.00310	0.00540	0.00350	N/A	N/A
65	0.00520	0.00000	0.25000	0.25000	0.00447	0.00336	0.00540	0.00330	N/A	N/A
70	0.00270	0.00000	1.00000	1.00000	0.00634	0.00500	0.00540	0.00330	N/A	N/A

Notes:

¹ Age for Termination with Refund and Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

² Years of service.

Exhibit D: Sample Non-Economic Assumptions (continued)

Public Agency 2.7% at 55 Miscellaneous | Probability of an active member leaving due to:

AGE ¹	Termination with Refund	Termination with Vested Deferred Benefits	Service Retirement		Non-Industrial Death		Non-Industrial Disability		Industrial Death	Industrial Disability
	5 Years ²	5 Years ²	10 Years ²	25 Years ²	Male	Female	Male	Female	Male & Female	Male & Female
20	0.02830	0.04820	N/A	N/A	0.00019	0.00009	0.00010	0.00010	N/A	N/A
25	0.02570	0.04390	N/A	N/A	0.00027	0.00014	0.00020	0.00020	N/A	N/A
30	0.02320	0.03950	N/A	N/A	0.00038	0.00021	0.00020	0.00040	N/A	N/A
35	0.02060	0.03510	N/A	N/A	0.00054	0.00031	0.00080	0.00100	N/A	N/A
40	0.01810	0.03070	N/A	N/A	0.00077	0.00046	0.00150	0.00160	N/A	N/A
45	0.01550	0.00000	N/A	N/A	0.00110	0.00068	0.00240	0.00230	N/A	N/A
50	0.01290	0.00000	0.05000	0.07000	0.00156	0.00102	0.00370	0.00350	N/A	N/A
55	0.01040	0.00000	0.09000	0.10000	0.00221	0.00151	0.00490	0.00410	N/A	N/A
56	0.00990	0.00000	0.07000	0.08000	0.00237	0.00164	0.00510	0.00410	N/A	N/A
57	0.00930	0.00000	0.08000	0.07000	0.00255	0.00178	0.00530	0.00410	N/A	N/A
58	0.00880	0.00000	0.08000	0.10000	0.00273	0.00192	0.00530	0.00400	N/A	N/A
59	0.00830	0.00000	0.10000	0.09000	0.00293	0.00208	0.00540	0.00390	N/A	N/A
60	0.00830	0.00000	0.17000	0.13000	0.00314	0.00226	0.00550	0.00390	N/A	N/A
61	0.00830	0.00000	0.16000	0.11000	0.00337	0.00244	0.00550	0.00380	N/A	N/A
62	0.00830	0.00000	0.28000	0.23000	0.00362	0.00265	0.00550	0.00370	N/A	N/A
63	0.00830	0.00000	0.23000	0.20000	0.00388	0.00287	0.00550	0.00360	N/A	N/A
64	0.00830	0.00000	0.16000	0.14000	0.00416	0.00310	0.00540	0.00350	N/A	N/A
65	0.00830	0.00000	0.27000	0.27000	0.00447	0.00336	0.00540	0.00330	N/A	N/A
70	0.00830	0.00000	1.00000	1.00000	0.00634	0.00500	0.00540	0.00330	N/A	N/A

Public Agency 3% at 55 Miscellaneous | Probability of an active member leaving due to:

AGE ¹	Termination with Refund	Termination with Vested Deferred Benefits	Service Retirement		Non-Industrial Death		Non-Industrial Disability		Industrial Death	Industrial Disability
	5 Years ²	5 Years ²	10 Years ²	25 Years ²	Male	Female	Male	Female	Male & Female	Male & Female
20	0.02830	0.04820	N/A	N/A	0.00019	0.00009	0.00010	0.00010	N/A	N/A
25	0.02570	0.04390	N/A	N/A	0.00027	0.00014	0.00020	0.00020	N/A	N/A
30	0.02320	0.03950	N/A	N/A	0.00038	0.00021	0.00020	0.00040	N/A	N/A
35	0.02060	0.03510	N/A	N/A	0.00054	0.00031	0.00080	0.00100	N/A	N/A
40	0.01810	0.03070	N/A	N/A	0.00077	0.00046	0.00150	0.00160	N/A	N/A
45	0.01550	0.00000	N/A	N/A	0.00110	0.00068	0.00240	0.00230	N/A	N/A
50	0.01290	0.00000	0.05000	0.07000	0.00156	0.00102	0.00370	0.00350	N/A	N/A
55	0.01040	0.00000	0.08000	0.09000	0.00221	0.00151	0.00490	0.00410	N/A	N/A
56	0.00940	0.00000	0.07000	0.08000	0.00237	0.00164	0.00510	0.00410	N/A	N/A
57	0.00930	0.00000	0.08000	0.07000	0.00255	0.00178	0.00530	0.00410	N/A	N/A
58	0.00880	0.00000	0.09000	0.11000	0.00273	0.00192	0.00530	0.00400	N/A	N/A
59	0.00830	0.00000	0.11000	0.10000	0.00293	0.00208	0.00530	0.00390	N/A	N/A
60	0.00780	0.00000	0.19000	0.15000	0.00314	0.00226	0.00540	0.00390	N/A	N/A
61	0.00730	0.00000	0.17000	0.12000	0.00337	0.00244	0.00550	0.00380	N/A	N/A
62	0.00680	0.00000	0.31000	0.25000	0.00362	0.00265	0.00550	0.00370	N/A	N/A
63	0.00630	0.00000	0.26000	0.22000	0.00388	0.00287	0.00550	0.00360	N/A	N/A
64	0.00580	0.00000	0.18000	0.16000	0.00416	0.00310	0.00550	0.00350	N/A	N/A
65	0.00520	0.00000	0.30000	0.30000	0.00447	0.00336	0.00540	0.00330	N/A	N/A
70	0.00270	0.00000	1.00000	1.00000	0.00634	0.00500	0.00540	0.00330	N/A	N/A

Notes:

¹ Age for Termination with Refund and Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

² Years of service.

Exhibit D: Sample Non-Economic Assumptions (continued)

Public Agency 2% at 50 Police | Probability of an active member leaving due to:

YRS ¹	Termination with Refund	AGE ²	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ¹	10 Years ¹	25 Years ¹	Male	Female	Male & Female	Male & Female	Male & Female	
0	0.12990	20	0.01870	N/A	N/A	0.00019	0.00009	0.00010	0.00003	0.00060	
1	0.08160	25	0.01870	N/A	N/A	0.00027	0.00014	0.00010	0.00007	0.00280	
2	0.03480	30	0.01870	N/A	N/A	0.00038	0.00021	0.00020	0.00010	0.00560	
3	0.03310	35	0.01870	N/A	N/A	0.00054	0.00031	0.00030	0.00013	0.00840	
4	0.03140	40	0.01870	N/A	N/A	0.00077	0.00046	0.00040	0.00017	0.01120	
5	0.01100	45	0.00000	N/A	N/A	0.00110	0.00068	0.00050	0.00020	0.01400	
6	0.01010	50	0.00000	0.01380	0.02530	0.00156	0.00102	0.00080	0.00023	0.01670	
7	0.00920	55	0.00000	0.08990	0.16450	0.00221	0.00151	0.00130	0.00027	0.05810	
8	0.00840	56	0.00000	0.06380	0.11660	0.00237	0.00164	0.00150	0.00027	0.05810	
9	0.00760	57	0.00000	0.07110	0.13000	0.00255	0.00178	0.00160	0.00028	0.05810	
10	0.00680	58	0.00000	0.06280	0.11490	0.00273	0.00192	0.00180	0.00029	0.05810	
15	0.00350	59	0.00000	0.13960	0.17350	0.00293	0.00208	0.00200	0.00029	0.05810	
20	0.00220	60	0.00000	0.13960	0.17190	0.00314	0.00226	0.00200	0.00030	0.05810	
25	0.00150	61	0.00000	0.13960	0.17190	0.00337	0.00244	0.00200	0.00031	0.05810	
30	0.00120	62	0.00000	0.13960	0.17190	0.00362	0.00265	0.00200	0.00031	0.05810	
35	0.00120	63	0.00000	0.13960	0.17190	0.00388	0.00287	0.00200	0.00032	0.05810	
40	0.00120	64	0.00000	0.13960	0.17190	0.00416	0.00310	0.00200	0.00033	0.05810	
45	0.00120	65	0.00000	1.00000	1.00000	0.00447	0.00336	0.00200	0.00033	0.05810	
50	0.00000	70	0.00000	1.00000	1.00000	0.00634	0.00500	0.00200	0.00037	0.05810	

Public Agency 2% at 50 Fire | Probability of an active member leaving due to:

YRS ¹	Termination with Refund	AGE ²	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ¹	10 Years ¹	25 Years ¹	Male	Female	Male & Female	Male & Female	Male & Female	
0	0.09470	20	0.01620	N/A	N/A	0.00019	0.00009	0.00010	0.00003	0.00020	
1	0.07390	25	0.01620	N/A	N/A	0.00027	0.00014	0.00010	0.00007	0.00100	
2	0.05310	30	0.01620	N/A	N/A	0.00038	0.00021	0.00010	0.00010	0.00210	
3	0.03230	35	0.01620	N/A	N/A	0.00054	0.00031	0.00010	0.00013	0.00310	
4	0.02900	40	0.01620	N/A	N/A	0.00077	0.00046	0.00010	0.00017	0.00410	
5	0.00950	45	0.00000	N/A	N/A	0.00110	0.00068	0.00020	0.00020	0.00510	
6	0.00800	50	0.00000	0.00650	0.01010	0.00156	0.00102	0.00050	0.00023	0.00620	
7	0.00660	55	0.00000	0.08680	0.13360	0.00221	0.00151	0.00100	0.00027	0.06010	
8	0.00530	56	0.00000	0.07790	0.12000	0.00237	0.00164	0.00110	0.00027	0.06010	
9	0.00410	57	0.00000	0.09010	0.13870	0.00255	0.00178	0.00130	0.00028	0.06010	
10	0.00290	58	0.00000	0.07900	0.12170	0.00273	0.00192	0.00150	0.00029	0.06010	
15	0.00210	59	0.00000	0.07290	0.11230	0.00293	0.00208	0.00150	0.00029	0.06010	
20	0.00160	60	0.00000	0.11350	0.17470	0.00314	0.00226	0.00150	0.00030	0.06010	
25	0.00100	61	0.00000	0.11360	0.17490	0.00337	0.00244	0.00150	0.00031	0.06010	
30	0.00090	62	0.00000	0.11360	0.17490	0.00362	0.00265	0.00150	0.00031	0.06010	
35	0.00090	63	0.00000	0.11360	0.17490	0.00388	0.00287	0.00150	0.00032	0.06010	
40	0.00090	64	0.00000	0.11360	0.17490	0.00416	0.00310	0.00150	0.00033	0.06010	
45	0.00090	65	0.00000	1.00000	1.00000	0.00447	0.00336	0.00150	0.00033	0.06010	
50	0.00000	70	0.00000	1.00000	1.00000	0.00634	0.00500	0.00150	0.00037	0.06010	

Notes:

¹ Years of service.

² Age for Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

Exhibit D: Sample Non-Economic Assumptions (continued)

Public Agency 3% at 50 Police | Probability of an active member leaving due to:

YRS ¹	Termination with Refund	AGE ²	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ¹	10 Years ¹	25 Years ¹	Male	Female	Male & Female	Male & Female	Male & Female	
0	0.12990	20	0.01870	N/A	N/A	0.00019	0.00009	0.00010	0.00003	0.00060	
1	0.08160	25	0.01870	N/A	N/A	0.00027	0.00014	0.00010	0.00007	0.00280	
2	0.03480	30	0.01870	N/A	N/A	0.00038	0.00021	0.00020	0.00010	0.00560	
3	0.03310	35	0.01870	N/A	N/A	0.00054	0.00031	0.00030	0.00013	0.00840	
4	0.03140	40	0.01870	N/A	N/A	0.00077	0.00046	0.00040	0.00017	0.01120	
5	0.01100	45	0.00000	N/A	N/A	0.00110	0.00068	0.00050	0.00020	0.01400	
6	0.01010	50	0.00000	0.04350	0.12080	0.00156	0.00102	0.00080	0.00023	0.01670	
7	0.00920	55	0.00000	0.08980	0.24970	0.00221	0.00151	0.00130	0.00027	0.05810	
8	0.00840	56	0.00000	0.06870	0.19100	0.00237	0.00164	0.00150	0.00027	0.05810	
9	0.00760	57	0.00000	0.08030	0.22320	0.00255	0.00178	0.00160	0.00028	0.05810	
10	0.00680	58	0.00000	0.07910	0.21980	0.00273	0.00192	0.00180	0.00029	0.05810	
15	0.00350	59	0.00000	0.08200	0.22790	0.00293	0.00208	0.00200	0.00029	0.05810	
20	0.00220	60	0.00000	1.00000	1.00000	0.00314	0.00226	0.00200	0.00030	0.05810	
25	0.00150	61	0.00000	1.00000	1.00000	0.00337	0.00244	0.00200	0.00031	0.05810	
30	0.00120	62	0.00000	1.00000	1.00000	0.00362	0.00265	0.00200	0.00031	0.05810	
35	0.00120	63	0.00000	1.00000	1.00000	0.00388	0.00287	0.00200	0.00032	0.05810	
40	0.00120	64	0.00000	1.00000	1.00000	0.00416	0.00310	0.00200	0.00033	0.05810	
45	0.00120	65	0.00000	1.00000	1.00000	0.00447	0.00336	0.00200	0.00033	0.05810	
50	0.00000	70	0.00000	1.00000	1.00000	0.00634	0.00500	0.00200	0.00037	0.05810	

Public Agency 3% at 50 Fire | Probability of an active member leaving due to:

YRS ¹	Termination with Refund	AGE ²	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ¹	10 Years ¹	25 Years ¹	Male	Female	Male & Female	Male & Female	Male & Female	
0	0.09470	20	0.01620	N/A	N/A	0.00019	0.00009	0.00010	0.00003	0.00020	
1	0.07390	25	0.01620	N/A	N/A	0.00027	0.00014	0.00010	0.00007	0.00100	
2	0.05310	30	0.01620	N/A	N/A	0.00038	0.00021	0.00010	0.00010	0.00210	
3	0.03230	35	0.01620	N/A	N/A	0.00054	0.00031	0.00010	0.00013	0.00310	
4	0.02900	40	0.01620	N/A	N/A	0.00077	0.00046	0.00010	0.00017	0.00410	
5	0.00950	45	0.00000	N/A	N/A	0.00110	0.00068	0.00020	0.00020	0.00510	
6	0.00800	50	0.00000	0.03410	0.06790	0.00156	0.00102	0.00050	0.00023	0.00620	
7	0.00660	55	0.00000	0.12650	0.25160	0.00221	0.00151	0.00100	0.00027	0.06010	
8	0.00530	56	0.00000	0.12100	0.24070	0.00237	0.00164	0.00110	0.00027	0.06010	
9	0.00410	57	0.00000	0.10100	0.20100	0.00255	0.00178	0.00130	0.00028	0.06010	
10	0.00290	58	0.00000	0.11840	0.23540	0.00273	0.00192	0.00150	0.00029	0.06010	
15	0.00210	59	0.00000	0.10020	0.19930	0.00293	0.00208	0.00150	0.00029	0.06010	
20	0.00160	60	0.00000	1.00000	1.00000	0.00314	0.00226	0.00150	0.00030	0.06010	
25	0.00100	61	0.00000	1.00000	1.00000	0.00337	0.00244	0.00150	0.00031	0.06010	
30	0.00090	62	0.00000	1.00000	1.00000	0.00362	0.00265	0.00150	0.00031	0.06010	
35	0.00090	63	0.00000	1.00000	1.00000	0.00388	0.00287	0.00150	0.00032	0.06010	
40	0.00090	64	0.00000	1.00000	1.00000	0.00416	0.00310	0.00150	0.00033	0.06010	
45	0.00090	65	0.00000	1.00000	1.00000	0.00447	0.00336	0.00150	0.00033	0.06010	
50	0.00000	70	0.00000	1.00000	1.00000	0.00634	0.00500	0.00150	0.00037	0.06010	

Notes:

¹ Years of service.

² Age for Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

Exhibit D: Sample Non-Economic Assumptions (continued)

Public Agency 3% at 55 Police | Probability of an active member leaving due to:

YRS ¹	Termination with Refund	AGE ²	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ¹	10 Years ¹	25 Years ¹	Male	Female	Male & Female	Male & Female	Male & Female	
0	0.12990	20	0.01870	N/A	N/A	0.00019	0.00009	0.00010	0.00003	0.00060	
1	0.08160	25	0.01870	N/A	N/A	0.00027	0.00014	0.00010	0.00007	0.00280	
2	0.03480	30	0.01870	N/A	N/A	0.00038	0.00021	0.00020	0.00010	0.00560	
3	0.03310	35	0.01870	N/A	N/A	0.00054	0.00031	0.00030	0.00013	0.00840	
4	0.03140	40	0.01870	N/A	N/A	0.00077	0.00046	0.00040	0.00017	0.01120	
5	0.01100	45	0.00000	N/A	N/A	0.00110	0.00068	0.00050	0.00020	0.01400	
6	0.01010	50	0.00000	0.01930	0.03970	0.00156	0.00102	0.00080	0.00023	0.01670	
7	0.00920	55	0.00000	0.11640	0.23970	0.00221	0.00151	0.00130	0.00027	0.05810	
8	0.00840	56	0.00000	0.07560	0.15560	0.00237	0.00164	0.00150	0.00027	0.05810	
9	0.00760	57	0.00000	0.05810	0.11960	0.00255	0.00178	0.00160	0.00028	0.05810	
10	0.00680	58	0.00000	0.05080	0.10450	0.00273	0.00192	0.00180	0.00029	0.05810	
15	0.00350	59	0.00000	0.06250	0.12870	0.00293	0.00208	0.00200	0.00029	0.05810	
20	0.00220	60	0.00000	1.00000	1.00000	0.00314	0.00226	0.00200	0.00030	0.05810	
25	0.00150	61	0.00000	1.00000	1.00000	0.00337	0.00244	0.00200	0.00031	0.05810	
30	0.00120	62	0.00000	1.00000	1.00000	0.00362	0.00265	0.00200	0.00031	0.05810	
35	0.00120	63	0.00000	1.00000	1.00000	0.00388	0.00287	0.00200	0.00032	0.05810	
40	0.00120	64	0.00000	1.00000	1.00000	0.00416	0.00310	0.00200	0.00033	0.05810	
45	0.00120	65	0.00000	1.00000	1.00000	0.00447	0.00336	0.00200	0.00033	0.05810	
50	0.00000	70	0.00000	1.00000	1.00000	0.00634	0.00500	0.00200	0.00037	0.05810	

Public Agency 3% at 55 Fire | Probability of an active member leaving due to:

YRS ¹	Termination with Refund	AGE ²	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ¹	10 Years ¹	25 Years ¹	Male	Female	Male & Female	Male & Female	Male & Female	
0	0.09470	20	0.01620	N/A	N/A	0.00019	0.00009	0.00010	0.00003	0.00020	
1	0.07390	25	0.01620	N/A	N/A	0.00027	0.00014	0.00010	0.00007	0.00100	
2	0.05310	30	0.01620	N/A	N/A	0.00038	0.00021	0.00010	0.00010	0.00210	
3	0.03230	35	0.01620	N/A	N/A	0.00054	0.00031	0.00010	0.00013	0.00310	
4	0.02900	40	0.01620	N/A	N/A	0.00077	0.00046	0.00010	0.00017	0.00410	
5	0.00950	45	0.00000	N/A	N/A	0.00110	0.00068	0.00020	0.00020	0.00510	
6	0.00800	50	0.00000	0.00240	0.00550	0.00156	0.00102	0.00050	0.00023	0.00620	
7	0.00660	55	0.00000	0.09150	0.21090	0.00221	0.00151	0.00100	0.00027	0.06010	
8	0.00530	56	0.00000	0.08110	0.18680	0.00237	0.00164	0.00110	0.00027	0.06010	
9	0.00410	57	0.00000	0.09960	0.22950	0.00255	0.00178	0.00130	0.00028	0.06010	
10	0.00290	58	0.00000	0.08140	0.18740	0.00273	0.00192	0.00150	0.00029	0.06010	
15	0.00210	59	0.00000	0.07750	0.17840	0.00293	0.00208	0.00150	0.00029	0.06010	
20	0.00160	60	0.00000	1.00000	1.00000	0.00314	0.00226	0.00150	0.00030	0.06010	
25	0.00100	61	0.00000	1.00000	1.00000	0.00337	0.00244	0.00150	0.00031	0.06010	
30	0.00090	62	0.00000	1.00000	1.00000	0.00362	0.00265	0.00150	0.00031	0.06010	
35	0.00090	63	0.00000	1.00000	1.00000	0.00388	0.00287	0.00150	0.00032	0.06010	
40	0.00090	64	0.00000	1.00000	1.00000	0.00416	0.00310	0.00150	0.00033	0.06010	
45	0.00090	65	0.00000	1.00000	1.00000	0.00447	0.00336	0.00150	0.00033	0.06010	
50	0.00000	70	0.00000	1.00000	1.00000	0.00634	0.00500	0.00150	0.00037	0.06010	

Notes:

¹ Years of service.

² Age for Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

Exhibit D: Sample Non-Economic Assumptions (continued)

Post-Retirement Mortality | Rates vary by age and sex. These rates are used for all plans.

Age	Healthy Recipients		Non-Industrially Disabled (Not Job Related)		Industrially Disabled (Job Related)	
	Male	Female	Male	Female	Male	Female
50	0.00245	0.00136	0.01459	0.01129	0.00546	0.00388
55	0.00429	0.00253	0.02115	0.01481	0.00616	0.00568
60	0.00721	0.00442	0.02870	0.01884	0.01016	0.00818
65	0.01302	0.00795	0.03617	0.02356	0.01853	0.01214
70	0.02135	0.01276	0.04673	0.03020	0.03369	0.01760
75	0.03716	0.02156	0.06552	0.04298	0.05768	0.02774
80	0.06256	0.03883	0.09481	0.06514	0.08670	0.04690
85	0.10195	0.07219	0.14041	0.10269	0.13032	0.08262
90	0.17379	0.12592	0.20793	0.16189	0.19588	0.13984
95	0.25917	0.21773	0.30792	0.25522	0.29444	0.23566
100	0.34724	0.32036	0.45599	0.40236	0.44259	0.35341

Exhibit E: Single Life Retirement Values

Present value of \$1 monthly increasing 2 percent annually after two-year waiting period. Interest Rate of 7.75 Percent

Age	Service Retirement		Non-Industrial Disability Retirement		Industrial Disability Retirement	
	Male	Female	Male	Female	Male	Female
50	165.521	174.244	135.257	148.232	156.682	166.398
51	163.311	172.352	132.953	146.352	154.435	164.484
52	161.021	170.384	130.637	144.446	152.085	162.506
53	158.664	168.337	128.319	142.512	149.611	160.464
54	156.230	166.208	126.006	140.549	146.993	158.356
55	153.703	164.000	123.703	138.553	144.226	156.181
56	151.085	161.713	121.416	136.518	141.307	153.938
57	148.364	159.337	119.141	134.443	138.256	151.619
58	145.535	156.891	116.876	132.324	135.100	149.237
59	142.621	154.371	114.613	130.160	131.863	146.791
60	139.644	151.743	112.340	127.948	128.556	144.253
61	136.587	149.026	110.048	125.686	125.179	141.636
62	133.534	146.224	107.726	123.367	121.743	138.943
63	130.430	143.324	105.363	120.987	118.253	136.163
64	127.215	140.356	102.950	118.538	114.716	133.314
65	123.939	137.321	100.479	116.014	111.144	130.397
70	106.509	121.097	87.219	102.144	93.361	114.726
75	88.409	102.761	72.937	86.467	76.557	97.060
80	70.189	82.996	58.900	70.227	61.616	78.251
85	53.609	63.697	45.752	54.499	47.825	59.984
90	39.105	46.331	34.182	40.363	35.636	43.609
95	29.196	32.701	24.408	28.311	25.324	30.547
100	21.418	22.847	16.466	18.558	16.958	20.932

Exhibit F: History of Member Salary Data

Valuation Date	Number of Active Members	Annual Covered Payroll (In Millions)	Average Annual Salary	% Increase In Average Pay
6/30/03	778,203	\$34,784	\$44,697	4.3%
6/30/04	760,498	35,078	46,126	3.2
6/30/05	756,234	36,045	47,664	3.3
6/30/06	767,127	38,047	49,597	4.0
6/30/07	793,164	40,864	51,521	3.9
6/30/08	813,474	44,236	54,379	5.5

Exhibit G: Members in Valuation

State Miscellaneous First Tier | By Attained Age & Years of Service – June 30, 2008

Attained Age	Distribution of Active Members by Age & Service Years of Service at Valuation Date						Total	Total Valuation Payroll
	0-4	5-9	10-14	15-19	20-24	25 & up		
15-24	1,641	31	—	—	—	—	1,672	\$55,466,402
25-29	5,876	1,499	16	—	—	—	7,391	312,939,584
30-34	5,678	4,762	649	46	—	—	11,135	577,938,281
35-39	5,451	6,748	2,352	950	73	—	15,574	899,000,974
40-44	4,806	6,723	3,027	3,510	1,317	83	19,466	1,185,530,552
45-49	4,374	6,938	3,362	4,495	3,807	2,203	25,179	1,578,743,071
50-54	3,939	6,087	3,153	4,441	4,335	6,742	28,697	1,843,678,487
55-59	2,926	4,482	2,443	3,688	3,408	6,974	23,921	1,580,580,156
60-64	1,564	2,418	1,388	1,913	1,692	3,478	12,453	835,123,766
65 & up	615	1,063	546	639	551	935	4,349	287,815,161
TOTAL	36,870	40,751	16,936	19,682	15,183	20,415	149,837	\$9,156,816,433

State Miscellaneous Second Tier | By Attained Age & Years of Service – June 30, 2008

Attained Age	Distribution of Active Members by Age & Service Years of Service at Valuation Date						Total	Total Valuation Payroll
	0-4	5-9	10-14	15-19	20-24	25 & up		
15-24	2	—	—	—	—	—	2	\$103,296
25-29	32	54	4	—	—	—	90	3,770,781
30-34	46	295	142	2	—	—	485	23,174,442
35-39	50	415	474	205	2	—	1,146	58,321,411
40-44	50	401	561	485	84	2	1,583	81,294,792
45-49	48	347	502	497	220	103	1,717	92,245,086
50-54	41	306	420	411	208	252	1,638	86,183,184
55-59	26	189	255	284	139	259	1,152	61,898,273
60-64	18	123	127	152	59	115	594	30,698,603
65 & up	25	59	51	45	21	37	238	12,169,393
TOTAL	338	2,189	2,536	2,081	733	768	8,645	\$449,859,262

State Industrial First & Second Tier | By Attained Age & Years of Service – June 30, 2008

Attained Age	Distribution of Active Members by Age & Service Years of Service at Valuation Date						Total	Total Valuation Payroll
	0-4	5-9	10-14	15-19	20-24	25 & up		
15-24	193	2	—	—	—	—	195	\$6,153,566
25-29	563	109	—	—	—	—	672	24,147,725
30-34	536	269	66	1	—	—	872	35,836,536
35-39	628	412	191	55	1	—	1,287	59,046,628
40-44	669	416	249	151	41	2	1,528	72,854,865
45-49	633	438	343	228	112	32	1,786	91,156,004
50-54	534	377	317	207	141	62	1,638	86,689,110
55-59	375	267	250	167	104	62	1,225	66,302,971
60-64	169	146	148	83	46	16	608	34,336,306
65 & up	35	49	64	33	10	8	199	12,712,321
TOTAL	4,335	2,485	1,628	925	455	182	10,010	\$489,236,032

NOTE: Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

Exhibit G: Members in Valuation (continued)

State Safety | By Attained Age & Years of Service – June 30, 2008

Attained Age	Distribution of Active Members by Age & Service Years of Service at Valuation Date						Total	Total Valuation Payroll
	0-4	5-9	10-14	15-19	20-24	25 & up		
15-24	462	4	—	—	—	—	466	\$20,556,150
25-29	1,331	104	—	—	—	—	1,435	75,164,254
30-34	1,763	281	30	—	—	—	2,074	131,444,776
35-39	2,050	500	170	16	—	—	2,736	187,946,658
40-44	2,099	598	391	95	9	—	3,192	218,105,747
45-49	2,163	772	605	276	97	9	3,922	274,851,266
50-54	2,101	927	829	433	178	62	4,530	336,231,269
55-59	1,582	767	700	339	156	66	3,610	284,181,815
60-64	780	470	452	259	88	40	2,089	174,094,784
65 & up	274	252	205	110	53	13	907	92,482,261
TOTAL	14,605	4,675	3,382	1,528	581	190	24,961	\$1,795,058,980

California Highway Patrol | By Attained Age & Years of Service – June 30, 2008

Attained Age	Distribution of Active Members by Age & Service Years of Service at Valuation Date						Total	Total Valuation Payroll
	0-4	5-9	10-14	15-19	20-24	25 & up		
15-24	174	—	—	—	—	—	174	\$12,381,051
25-29	514	180	—	—	—	—	694	53,871,724
30-34	394	716	200	1	—	—	1,311	109,559,144
35-39	195	596	768	123	—	—	1,682	146,379,214
40-44	23	92	474	442	249	—	1,280	118,541,264
45-49	—	—	88	280	461	320	1,149	115,717,971
50-54	—	2	37	53	166	365	623	64,607,795
55-59	—	—	9	7	18	80	114	11,829,332
60-64	—	—	—	—	—	—	—	—
65 & up	—	—	—	—	—	—	—	—
TOTAL	1,300	1,586	1,576	906	894	765	7,027	\$632,887,495

State Peace Officer/Firefighter | By Attained Age & Years of Service – June 30, 2008

Attained Age	Distribution of Active Members by Age & Service Years of Service at Valuation Date						Total	Total Valuation Payroll
	0-4	5-9	10-14	15-19	20-24	25 & up		
15-24	2,458	—	—	—	—	—	2,458	\$89,958,183
25-29	4,236	878	1	—	—	—	5,115	269,883,385
30-34	2,989	3,107	577	3	—	—	6,676	433,273,574
35-39	2,090	2,531	2,875	421	5	—	7,922	571,047,671
40-44	1,414	1,660	2,398	1,687	868	7	8,034	612,813,320
45-49	898	1,116	1,711	1,632	2,287	574	8,218	666,005,605
50-54	493	602	1,039	922	1,283	695	5,034	416,970,744
55-59	192	320	556	517	591	378	2,554	213,534,048
60-64	74	117	199	220	203	113	926	76,452,297
65 & up	16	18	39	55	58	17	203	16,450,687
TOTAL	14,860	10,349	9,395	5,457	5,295	1,784	47,140	\$3,366,389,513

Note: Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

Exhibit G: Members in Valuation (continued)

School | By Attained Age & Years of Service – June 30, 2008

Attained Age	Distribution of Active Members by Age & Service Years of Service at Valuation Date						Total	Total Valuation Payroll
	0-4	5-9	10-14	15-19	20-24	25 & up		
15-24	12,064	79	—	—	—	—	12,143	\$245,478,181
25-29	17,870	3,445	4	—	—	—	21,319	592,327,369
30-34	14,762	8,917	93	1	—	—	23,773	783,609,935
35-39	15,666	12,666	194	34	2	—	28,562	973,512,349
40-44	18,976	18,406	275	100	22	—	37,779	1,310,682,826
45-49	19,833	27,486	365	148	83	46	47,961	1,739,248,938
50-54	17,153	33,733	514	195	143	126	51,864	1,964,030,782
55-59	11,836	29,585	515	190	126	119	42,371	1,667,879,611
60-64	5,982	16,405	281	110	67	70	22,915	888,718,894
65 & up	3,007	5,403	87	39	18	37	8,591	282,084,804
TOTAL	137,149	156,125	2,328	817	461	398	297,278	\$10,447,573,688

Public Agency Miscellaneous | By Attained Age & Years of Service – June 30, 2008

Attained Age	Distribution of Active Members by Age & Service Years of Service at Valuation Date						Total	Total Valuation Payroll
	0-4	5-9	10-14	15-19	20-24	25 & up		
15-24	8,165	92	—	—	—	—	8,257	\$263,890,384
25-29	15,019	2,779	61	—	—	—	17,859	796,717,211
30-34	12,984	6,749	1,252	55	—	—	21,040	1,130,621,809
35-39	11,809	8,077	3,505	1,168	113	—	24,672	1,464,230,382
40-44	10,663	8,194	4,449	3,549	1,569	134	28,558	1,798,624,639
45-49	10,267	8,552	5,256	5,236	3,829	1,877	35,017	2,311,449,968
50-54	8,611	7,705	5,032	5,077	4,541	4,636	35,602	2,435,158,550
55-59	5,739	5,828	3,840	3,944	3,191	4,181	26,723	1,839,165,560
60-64	2,684	3,150	2,134	2,069	1,600	1,956	13,593	911,098,547
65 & up	1,045	1,169	785	658	442	580	4,679	265,011,499
TOTAL	86,986	52,295	26,314	21,756	15,285	13,364	216,000	\$13,215,968,549

Public Agency Safety | By Attained Age & Years of Service – June 30, 2008

Attained Age	Distribution of Active Members by Age & Service Years of Service at Valuation Date						Total	Total Valuation Payroll
	0-4	5-9	10-14	15-19	20-24	25 & up		
15-24	2,128	11	—	—	—	—	2,139	\$120,927,730
25-29	6,023	1,104	1	—	—	—	7,128	498,035,236
30-34	4,063	3,911	637	1	—	—	8,612	687,878,292
35-39	2,514	3,901	2,844	734	7	—	10,000	876,460,995
40-44	1,201	1,847	2,202	2,665	1,143	11	9,069	874,001,396
45-49	582	897	1,098	1,882	2,544	1,134	8,137	845,756,530
50-54	285	456	473	754	1,180	2,023	5,171	545,117,292
55-59	135	181	168	245	294	728	1,751	180,415,534
60-64	40	63	69	82	63	160	477	45,541,059
65 & up	11	13	16	18	7	27	92	8,052,605
TOTAL	16,982	12,384	7,508	6,381	5,238	4,083	52,576	\$4,682,186,669

Note: Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

Exhibit H: Schedule of Retirees & Beneficiaries Added to/and Removed from Rolls

Year Ended	Added to Rolls		Removed from Rolls		Rolls - End of Year		% Increase in Annual Allowances	Average Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
PERF								
6/30/04	31,407	\$945,374,000	14,586	\$199,427,000	412,972	\$7,978,465,000	10.3%	\$19,320
6/30/05	33,761	865,883,000	15,482	221,581,000	431,161	8,867,359,000	11.1	20,566
6/30/06	32,166	842,092,000	15,643	230,973,000	447,684	9,590,857,000	8.2	21,423
6/30/07	29,821	828,676,000	15,881	251,559,000	465,386	10,421,160,000	8.7	22,392
6/30/08	30,462	911,182,000	16,228	267,867,000	479,620	11,422,808,000	9.6	23,816
JRF								
6/30/04	98	\$7,262,000	64	\$4,743,000	1,557	\$121,941,000	4.9%	\$78,267
6/30/05	122	9,586,000	73	5,973,000	1,606	130,712,000	7.2	81,390
6/30/06	109	8,207,000	55	4,358,000	1,660	140,796,000	7.7	84,817
6/30/07	98	8,854,000	56	5,018,000	1,702	158,429,000	12.5	93,084
6/30/08	125	12,030,000	84	7,888,000	1,743	166,599,000	5.2	95,582
JRF II								
6/30/04	3	\$223,000	—	\$ —	6	\$647,000	131.9%	\$107,833
6/30/05	3	314,000	—	—	9	961,000	48.5	106,778
6/30/06	6	549,000	2	276,000	13	1,226,000	27.6	94,308
6/30/07	—	—	1	144,000	12	968,000	(21.0)	80,666
6/30/08	5	475,000	2	288,000	15	958,000	(1.1)	63,867
LRF								
6/30/04	11	\$502,000	13	\$433,000	262	\$7,146,000	1.0%	\$27,274
6/30/05	13	416,000	9	290,000	266	7,534,000	5.4	28,323
6/30/06	12	192,000	15	421,000	263	7,464,000	0.2	28,380
6/30/07	18	374,000	12	314,000	269	7,608,000	2.0	28,282
6/30/08	8	161,000	13	316,000	264	7,694,000	1.2	29,144

Note: These total counts and allowances are for service, disability, and industrial retirement, special death, 1957 Survivor, Pre-Retirement Option 2, and 1959 Survivor beneficiaries and non-members. This information was reviewed by the CalPERS Actuarial staff and appears to be reasonable.

Actuarial Certifications – Other Systems

JUDGES' RETIREMENT SYSTEM

May 2009

Actuarial Certification

As authorized by the CalPERS Board of Administration, we perform an annual actuarial valuation of the Judges' Retirement System; the latest such valuation is as of June 30, 2008.

To the best of our knowledge, this report is complete and accurate and contains sufficient information to fully and fairly disclose the actuarial funded condition of the Judges' Retirement System, as of June 30, 2008. Based on the employee data provided by the CalPERS Judges' and Legislators' Office, the statement of assets provided by the CalPERS Fiscal Services Division, and the benefits as outlined in Appendix B, it is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles and that the assumptions and methods, as prescribed by the CalPERS Board of Administration, are reasonable for the System.

Further, information has been provided by us for the completion of (i) the trend data schedules (Required Schedule of Funding Progress and Schedule of Employer Contributions) in the Financial Section, and (ii) Exhibits A through H in the Actuarial Section of the CAFR.

Gale D. Patrick, F.S.A., M.A.A.A.
Enrolled Actuary
Senior Pension Actuary, CalPERS

Ron Seeling, Ph.D., F.C.A., A.S.A., M.A.A.A.
Enrolled Actuary
Chief Actuary, CalPERS

JUDGES' RETIREMENT SYSTEM II

April 2009

Actuarial Certification

As authorized by the CalPERS Board of Administration, we perform an annual actuarial valuation of the Judges' Retirement System II; the latest such valuation is as of June 30, 2008.

To the best of our knowledge, this report is complete and accurate and contains sufficient information to fully and fairly disclose the actuarial funded condition of the Judges' Retirement System II, as of June 30, 2008. Based on the employee data provided by the Judges' Retirement System administrative staff at CalPERS, the statement of assets provided by the CalPERS Fiscal Services Division, and the benefits as outlined in Appendix B, it is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles and that the assumptions and methods are reasonable for this plan.

Further, information has been provided by us for the completion of (i) the trend data schedules (Required Schedule of Funding Progress and Schedule of Employer Contributions) in the Financial Section, and (ii) Exhibits A through H in the Actuarial Section of the CAFR.

May Yu, A.S.A., M.A.A.A.
Senior Pension Actuary, CalPERS

Ron Seeling, Ph.D., F.C.A., A.S.A., M.A.A.A.
Enrolled Actuary
Chief Actuary, CalPERS

Note: The actuarial report and supporting documents for the Judges' Retirement System, Judges' Retirement System II, and Legislators' Retirement System can be obtained through the CalPERS Actuarial and Employer Services Division, P.O. Box 942709, Sacramento, CA 94229-2709.

LEGISLATORS' RETIREMENT SYSTEM

April 2009

Actuarial Certification

As authorized by the CalPERS Board of Administration, we perform an annual actuarial valuation of the Legislators' Retirement System; the latest such valuation is as of June 30, 2008.

To the best of our knowledge, this report is complete and accurate and contains sufficient information to fully and fairly disclose the actuarial funded condition of the Legislators' Retirement System. Based on the employee data provided by the CalPERS Judges' and Legislators' Office, the statement of assets provided by the CalPERS Fiscal Services Division, and the benefits plans as outlined in Appendix B, it is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles and that the assumptions and methods are reasonable for the System.

Further, information has been provided by us for the completion of (i) the trend data schedules (Required Schedule of Funding Progress and Schedule of Employer Contributions) in the Financial Section, and (ii) Exhibits A through H in the Actuarial Section of the CAFR.

David Clement, A.S.A., M.A.A.A.
Enrolled Actuary
Senior Pension Actuary, CalPERS

Ron Seeling, Ph.D., F.C.A., A.S.A., M.A.A.A.
Enrolled Actuary
Chief Actuary, CalPERS

Note: The actuarial report and supporting documents for the Judges' Retirement System, Judges' Retirement System II, and Legislators' Retirement System can be obtained through the CalPERS Actuarial and Employer Services Division, P.O. Box 942709, Sacramento, CA 94229-2709.

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Expenses by Type – Retirement Programs

10-Year Review

	Benefit Payments	Contribution Refunds	Administrative Expenses ¹	Total
PERF				
2008/09	\$11,831,836,448	\$186,783,064	\$427,808,139	\$12,446,427,651
2007/08	10,884,416,870	182,415,410	402,340,309	11,469,172,589
2006/07	10,070,554,756	181,574,063	278,453,496	10,530,582,315
2005/06	9,236,073,498	170,929,432	250,251,822	9,657,254,752
2004/05	8,434,118,614	155,236,438	208,965,422	8,798,320,474
2003/04	7,639,085,017	151,526,342	188,361,466	7,978,972,825
2002/03	6,991,913,800	114,024,930	214,274,159	7,320,212,889
2001/02	6,431,019,116	103,385,701	208,687,613	6,743,092,430
2000/01	5,792,948,968	128,865,380	183,865,981	6,105,680,329
1999/00	5,176,073,695	140,644,318	175,050,565	5,491,768,578
LRF				
2008/09	\$7,705,864	\$295,898	\$358,777	\$8,360,539
2007/08	7,620,849	309,281	397,078	8,327,208
2006/07	7,666,423	91,859	322,568	8,080,850
2005/06	7,313,656	823,190	294,578	8,431,424
2004/05	7,791,569	979,315	318,547	9,089,431
2003/04	7,051,153	214,184	280,835	7,546,172
2002/03	6,851,580	247,755	220,020	7,319,355
2001/02	6,716,646	—	244,854	6,961,500
2000/01	6,782,467	169,520	234,926	7,186,913
1999/00	6,630,188	163,535	206,000	6,999,723
JRF				
2008/09	\$174,902,217	\$ —	\$1,048,839	\$175,951,056
2007/08	168,604,471	136,204	972,764	169,713,439
2006/07	151,058,884	—	701,378	151,760,262
2005/06	133,587,831	323,254	171,406	134,082,491
2004/05	126,608,787	88,239	1,061,257	127,758,283
2003/04	121,603,708	238,097	719,312	122,561,117
2002/03	113,937,606	82,530	506,224	114,526,360
2001/02	109,543,399	—	391,760	109,935,159
2000/01	99,423,624	—	379,818	99,803,442
1999/00	90,170,743	—	360,000	90,530,743
JRF II				
2008/09	\$1,251,926	\$3,062,083	\$578,303	\$4,892,312
2007/08	963,823	2,134,018	597,318	3,695,159
2006/07	1,004,875	980,602	451,270	2,436,747
2005/06	859,449	750,206	406,157	2,015,812
2004/05	903,641	339,940	425,157	1,668,738
2003/04	584,375	203,219	414,258	1,201,852
2002/03	307,365	891,986	320,226	1,519,577
2001/02	117,545	91,536	289,622	498,703
2000/01	142,234	34,369	283,767	460,370
1999/00	225,607	22,198	175,213	423,018

Expenses by Type – Retirement Programs (continued)

10-Year Review

	Benefit Payments	Contribution Refunds	Administrative Expenses ¹	Total
SPOFF				
2008/09	\$12,922,003	\$ —	\$2,714,800	\$15,636,803
2007/08	11,625,633	—	2,157,014	13,782,647
2006/07	10,827,742	—	—	10,827,742
2005/06	6,578,589	—	—	6,578,589
2004/05	5,352,708	—	—	5,352,708
2003/04	4,350,947	—	—	4,350,947
2002/03	4,084,127	—	—	4,084,127
2001/02	3,361,147	—	—	3,361,147
2000/01	1,879,169	—	—	1,879,169
1999/00	—	—	—	—

Note:

¹ Excludes investment advisor fees.

Revenues by Source – Retirement Programs

10-Year Review

	Member Contributions	Employer Contributions	Investment Income/(Loss)	Miscellaneous Income	Total
PERF					
2008/09	\$3,882,355,341	\$6,912,376,563	(\$57,367,053,476)	\$3,155,487	(\$46,569,166,085)
2007/08	3,512,074,936	7,242,802,001	(12,499,109,624)	6,201,589	(1,738,031,098)
2006/07	3,262,699,076	6,442,383,868	40,748,261,708	9,118,984	50,462,463,636
2005/06	3,080,878,521	6,095,029,424	22,041,265,666	—	31,217,173,611
2004/05	3,176,780,369	5,774,120,281	21,893,728,292	473,234	30,845,102,176
2003/04	2,266,445,429	4,261,347,422	24,265,850,297	6,722,984	30,800,366,132
2002/03	1,887,925,497	1,925,043,858	5,474,083,608	8,647,960	9,295,700,923
2001/02	2,154,742,532	800,964,553	(9,704,478,936)	4,686,138	(6,744,085,713)
2000/01	1,766,256,113	321,618,826	(12,255,822,322)	7,480,923	(10,160,466,460)
1999/00	1,751,290,172	362,614,344	16,579,088,181	3,569,729	18,696,562,426
LRF					
2008/09	\$68,549	\$ —	(\$14,040,992)	\$ —	(\$13,972,443)
2007/08	14,318	—	223,556	—	237,874
2006/07	128,548	—	16,529,733	—	16,658,281
2005/06	160,343	—	3,808,413	—	3,968,756
2004/05	19,687	—	12,575,845	504	12,596,036
2003/04	55,639	—	11,094,703	—	11,150,342
2002/03	21,946	—	10,274,104	—	10,296,050
2001/02	14,161	—	(3,781,146)	—	(3,766,985)
2000/01	33,461	—	280,786	—	314,247
1999/00	178,860	339,351	9,788,721	—	10,306,932
JRF					
2008/09	\$8,596,881	\$190,509,956	\$410,734	\$3,573,713	\$203,091,284
2007/08	9,569,327	163,205,650	384,435	3,827,046	176,986,458
2006/07	10,397,656	131,371,947	1,186,370	2,590,659	145,546,632
2005/06	10,314,771	120,576,080	959,163	2,874,216	134,724,230
2004/05	10,417,159	127,077,837	233,433	2,663,340	140,391,769
2003/04	11,262,935	107,317,942	58,874	4,020,398	122,660,149
2002/03	11,109,214	98,584,637	11,722	4,337,501	114,043,074
2001/02	11,713,777	65,319,883	1,002,742	4,521,326	82,557,728
2000/01	11,377,068	91,019,008	3,754,582	4,509,380	110,660,038
1999/00	11,251,836	74,079,308	2,513,315	4,354,631	92,199,090
JRF II					
2008/09	\$15,400,156	\$39,514,153	(\$59,927,419)	\$ —	(\$5,013,110)
2007/08	13,807,651	36,760,924	(12,184,458)	—	38,384,117
2006/07	11,694,132	27,062,441	35,426,481	—	74,183,054
2005/06	9,584,229	24,069,471	15,473,801	—	49,127,501
2004/05	8,217,015	21,195,508	14,815,759	—	44,228,282
2003/04	8,131,412	18,239,777	13,431,593	—	39,802,782
2002/03	6,717,482	15,322,632	4,803,138	—	26,843,252
2001/02	5,290,599	12,487,052	(3,870,979)	—	13,906,672
2000/01	4,196,862	9,754,298	(2,863,230)	—	11,087,930
1999/00	3,209,544	7,460,518	2,734,601	—	13,404,663

Revenues by Source – Retirement Programs (continued)

10-Year Review

	Member Contributions	Employer Contributions	Investment Income/(Loss)	Miscellaneous Income	Total
SPOFF					
2008/09	\$ —	\$53,114,257	(\$55,423,373)	\$ —	(\$2,309,116)
2007/08	—	51,475,396	(18,362,841)	—	33,112,555
2006/07	—	48,948,255	37,812,916	—	86,761,171
2005/06	—	8,932,917	16,516,723	—	25,449,640
2004/05	—	41,406,166	15,284,243	—	56,690,409
2003/04	—	40,894,189	17,971,153	—	58,865,342
2002/03	—	35,047,115	5,069,041	—	40,116,156
2001/02	—	34,171,776	(7,286,207)	—	26,885,569
2000/01	—	33,236,879	(4,457,441)	—	28,779,438
1999/00	—	30,011,229	2,205,566	—	32,216,795

Changes in Net Assets – Retirement Programs

10-Year Review (Dollars in Thousands)

	Additions	Deductions	Net Change	Net Assets	
				Beginning of Year	End of Year
PERF					
2008/09	(\$46,569,168)	\$12,446,428	(\$59,015,596)	\$237,915,479	\$178,899,883
2007/08	(1,738,031)	11,469,172	(13,207,203)	251,122,682	237,915,479
2006/07	50,462,463	10,530,582	39,931,881	211,190,801	251,122,682
2005/06	31,217,173	9,657,253	21,559,920	189,630,881	211,190,801
2004/05	30,845,102	8,798,320	22,046,782	167,584,099	189,630,881
2003/04	30,800,365	7,978,972	22,821,393	144,762,706	167,584,099
2002/03	9,295,701	7,320,213	1,975,488	142,787,218	144,762,706
2001/02	(6,744,086)	6,743,093	(13,487,179)	156,274,397	142,787,218
2000/01	10,160,466	6,105,681	4,054,785	172,540,544	176,595,329
1999/00	18,696,562	5,513,803	13,182,759	159,357,785	172,540,544
LRF					
2008/09	(\$13,972)	\$8,360	(\$22,332)	\$134,119	\$111,787
2007/08	237	8,327	(8,090)	142,209	134,119
2006/07	16,659	8,081	8,578	133,631	142,209
2005/06	3,968	8,432	(4,464)	138,095	133,631
2004/05	12,596	9,089	3,507	134,588	138,095
2003/04	11,150	7,546	3,604	130,984	134,588
2002/03	10,296	7,319	2,977	128,007	130,984
2001/02	(3,767)	6,962	(10,729)	138,736	128,007
2000/01	314	7,186	(6,872)	145,608	138,736
1999/00	10,307	7,000	3,307	142,301	145,608
JRF					
2008/09	\$203,091	\$175,951	\$27,140	\$19,246	\$46,386
2007/08	176,986	169,413	7,573	11,673	19,246
2006/07	145,547	151,760	(6,213)	17,886	11,673
2005/06	134,724	134,082	642	17,244	17,886
2004/05	140,392	127,758	12,634	4,610	17,244
2003/04	122,659	122,561	98	4,512	4,610
2002/03	114,043	114,526	(483)	4,995	4,512
2001/02	82,558	109,935	(27,377)	32,372	4,995
2000/01	110,660	99,804	10,856	21,516	32,372
1999/00	92,199	90,531	1,668	19,848	21,516
JRF II					
2008/09	(\$5,013)	\$4,892	(\$9,905)	\$325,422	\$315,517
2007/08	38,385	3,695	34,690	290,732	325,422
2006/07	74,183	2,437	71,746	218,986	290,732
2005/06	49,127	2,015	47,112	171,874	218,986
2004/05	44,228	1,669	42,559	129,315	171,874
2003/04	39,802	1,201	38,601	90,714	129,315
2002/03	26,843	1,519	25,324	65,390	90,714
2001/02	13,907	499	13,408	51,982	65,390
2000/01	11,088	460	10,628	41,354	51,982
1999/00	13,404	423	12,981	28,373	41,354

Changes in Net Assets – Retirement Programs (continued)

10-Year Review (Dollars in Thousands)

	Additions	Deductions	Net Change	Net Assets	
				Beginning of Year	End of Year
SPOFF					
2008/09	(\$2,309)	\$15,637	(\$17,946)	\$354,707	\$336,761
2007/08	33,112	13,783	19,329	335,378	354,707
2006/07	86,761	10,828	75,933	259,445	335,378
2005/06	25,450	6,578	18,872	240,573	259,445
2004/05	56,691	5,353	51,338	189,235	240,573
2003/04	58,865	4,351	54,514	134,721	189,235
2002/03	40,116	4,084	36,032	98,689	134,721
2001/02	26,885	3,361	23,524	75,165	98,689
2000/01	29,166	2,266	26,900	48,265	75,165
1999/00	32,431	214	32,217	16,048	48,265

Membership & Retirement Data – Retirement Programs

Public Employees' Retirement System | 10-Year Review

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
ACTIVE & INACTIVE MEMBERS										
STATE MEMBERS										
Miscellaneous	224,966	222,806	219,101	214,721	219,919	227,096	231,693	227,522	219,095	208,227
University of California	81	93	103	111	127	92	244	258	281	347
Industrial	12,822	11,862	10,815	11,695	11,032	10,607	11,000	10,997	11,390	10,960
ARP	19,422	19,086	16,608	13,955	—	—	—	—	—	—
Highway Patrol	7,471	7,133	6,987	6,968 ¹	11,359	10,236	11,959	11,754	6,668	6,542
Safety	29,911	28,763	26,099	23,129	21,750	16,714	17,782	17,478	16,390	15,521
Peace Officer/Firefighter	51,260	51,371	48,722	46,605	46,485	44,740	46,599	45,801	42,950	40,675
Total State Members	345,933	341,114	328,435	317,184	310,672	309,485	319,277	313,810	296,774	282,272
PUBLIC AGENCY MEMBERS										
Schools	432,383	426,686	409,675	394,911	380,374	372,614	373,171	358,837	337,160	316,862
Cities	173,315	175,240	171,546	166,192	161,515	158,884	160,155	154,871	144,557	136,705
Counties	97,188	98,395	95,177	92,013	88,717	87,468	89,838	87,887	80,743	74,921
Districts & Other Public Agencies	85,578	84,698	82,067	78,595	75,704	73,616	71,919	66,772	57,398	53,021
Total Public Agency Members	788,464	785,019	758,465	731,711	706,310	692,582	695,083	688,367	619,858	581,509
TOTAL ACTIVE & INACTIVE MEMBERS	1,134,397	1,126,133	1,086,900	1,048,895	1,016,982	1,002,067	1,014,360	982,177	916,632	863,781
BENEFIT RECIPIENTS										
Service Retirement	408,428	393,328	380,162	367,737	353,212	341,348	326,163	313,762	303,427	292,402
Disability Retirement	43,074	42,813	42,965	42,383	41,857	42,064	41,808	41,036	40,207	38,925
Industrial Disability Retirement	33,453	32,757	32,081	31,157	30,025	29,320	28,180	26,948	25,644	24,363
Industrial Death	1,045	1,039	1,013	995	972	958	946	931	928	914
1957 Survivor Benefit	3,398	3,246	3,164	3,074	2,960	2,881	2,802	2,714	2,625	2,568
1959 Survivor Benefit	3,115	3,069	2,985	2,295	2,875	2,880	2,841	2,735	2,709	2,656
TOTAL BENEFIT RECIPIENTS	492,513²	476,252	462,370	448,271	431,901	419,451	402,740	388,126	375,540	361,828
TOTAL MEMBERS	1,626,910	1,602,385	1,549,270	1,497,166	1,448,883	1,421,518	1,417,100	1,370,303	1,292,172	1,225,609

Legislators' Retirement System | 10-Year Review

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
ACTIVE & INACTIVE MEMBERS										
Members of the Legislature	17	18	23	27	28	35	38	47	48	58
Constitutional Officers	18	18	19	15	15	18	18	15	16	18
Legislative Statutory Officers	4	4	4	4	4	4	4	4	4	4
TOTAL ACTIVE & INACTIVE MEMBERS	39	40	46	46	47	57	60	66	68	80
BENEFIT RECIPIENTS										
Members of the Legislature										
Service Retirement	221	222	228	227	228	221	219	219	223	213
Disability Retirement	9	11	11	6	6	7	7	7	8	9
Pre-Retirement Option 2	—	—	—	—	—	—	2	2	2	2
Total Members of the Legislature	230	233	239	233	234	228	228	228	233	224
Constitutional Officers										
Service Retirement	21	21	22	22	23	25	26	25	29	31
Disability Retirement	1	1	1	1	1	1	1	1	1	1
Pre-Retirement Option 2	2	2	2	2	2	2	2	2	2	2
Total Constitutional Officers	24	24	25	25	26	28	29	28	32	34
Legislative Statutory Officers										
Service Retirement	5	5	5	5	6	6	7	7	7	7
Disability Retirement	—	—	—	—	—	—	—	—	—	—
Pre-Retirement Option 2	—	—	—	—	—	—	—	—	—	—
Total Legislative Statutory Officers	5	5	5	5	6	6	7	7	7	7
TOTAL BENEFIT RECIPIENTS	259	262	269	263	266	262	264	263	272	265
TOTAL MEMBERS	298	302	315	309	313	319	324	329	340	345

Membership & Retirement Data – Retirement Programs (continued)

Judges' Retirement System | 10-Year Review

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
ACTIVE & INACTIVE MEMBERS										
Active Judges & Deferred Retirement Judges	620	682	756	825	917	983	1,039	1,125	1,164	1,241
TOTAL ACTIVE & INACTIVE MEMBERS	620	682	756	825	917	983	1,039	1,125	1,164	1,241
BENEFIT RECIPIENTS										
Service Retirement	641	619	610	607	612	610	609	601	598	576
Disability Retirement	48	47	52	50	48	48	51	52	55	57
Deferred Retirement	595	604	611	618	673	672	667	654	650	645
Optional Settlement Benefit	433	390	352	306	196	154	120	92	70	53
Pre-Retirement Survivor	72	75	77	79	77	74	76	77	76	78
TOTAL BENEFIT RECIPIENTS	1,789	1,735	1,702	1,660	1,606	1,558	1,523	1,476	1,449	1,409
TOTAL MEMBERS	2,409	2,417	2,458	2,485	2,523	2,541	2,562	2,601	2,613	2,650

Judges' Retirement System II | 10-Year Review

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
ACTIVE & INACTIVE MEMBERS										
Active Judges	1,119	979	915	831	748	690	624	531	462	353
TOTAL ACTIVE & INACTIVE MEMBERS	1,119	979	915	831	748	690	624	531	462	353
BENEFIT RECIPIENTS										
Service Retirement	4	3	4	1	1	2	–	–	–	–
Disability Retirement	6	5	3	2	1	–	–	–	–	–
Optional Settlement Benefit	4	4	–	3	–	–	–	–	–	–
Pre-Retirement Survivor	1	2	2	7	7	4	3	1	1	2
TOTAL BENEFIT RECIPIENTS	15	14	11	13	9	6	3	1	1	2
TOTAL MEMBERS	1,134	993	926	844	757	696	627	532	463	355

Notes:

- ¹ Starting with the June 30, 2006 Comprehensive Annual Financial Report, CalPERS changed the mechanism for reporting this category.
- ² This total differs from Total Benefit Recipients on pages 40 and 145. Total Benefit Recipients shown here include Active Death Benefits paid as a result of a member death prior to retirement.

Program Data

PRIMARY BENEFITS

Benefits are paid according to the category of employment and the type of benefit coverage provided by an employer. Local agencies have variations in benefits due to their specific contract obligations with CalPERS.

The four categories of membership are:

- **Miscellaneous Members** – staff, operational, supervisory, and all other eligible employees who are not in special membership categories.
- **Safety Members** – California Highway Patrol officers, police officers, firefighters, and other employees whose principal duties are in active law enforcement or fire prevention and suppression work, or who occupy positions designated by law as safety member positions.
- **State Industrial Members** – employees of the Department of Corrections and the California Youth Authority who have the same service retirement and other benefits as miscellaneous members, but who also have industrial death and disability benefits under certain limited circumstances.
- **State Peace Officer/Firefighter Members** – State employees who are involved in law enforcement, firefighting and fire suppression, public safety, protective services, or the management and supervision thereof, whose positions are defined as State peace officer/firefighter members in the Government Code or by the Department of Personnel Administration.

SEPARATION FROM EMPLOYMENT/REFUNDS

At permanent separation from employment, members may either leave their contributions on deposit and defer retirement¹ or terminate membership by electing to take a refund of member contributions plus interest (compounded annually). With a refund election, CalPERS is required to deduct federal withholding of 20 percent from the untaxed portion of the refund, unless the taxable portion is directly rolled over to a qualified plan or IRA.

SERVICE RETIREMENT

State Miscellaneous & State Industrial Members (First Tier), School Members & University Members 2 Percent at 55 Formula

- **Service not coordinated with Social Security** – A guarantee of 2 percent of final compensation² at age 55 for each year of service credit. Retirement may begin at age 50

with a reduced benefit rate, or after age 55 with an increased benefit rate to age 63.

- **Service coordinated with Social Security** – Same basic benefit rate; however, there is a reduction of \$133.33 from the final compensation before benefits are determined.

School members with service credit rendered after January 1, 2001: final compensation will not be reduced by \$133.33.

State Miscellaneous & State Industrial Members Separated from Service Prior to January 1, 2000, 2 Percent at 60 Formula

- **Service not coordinated with Social Security** – A guarantee of 2 percent of final compensation at age 60 for each year of service credit. Retirement may begin at age 50 with a reduced benefit rate, or after age 60 with an increased benefit rate to age 63.
- **Service coordinated with Social Security** – Same basic benefit rate; however, there is a reduction of \$133.33 from the final compensation before benefits are determined.

State Miscellaneous & State Industrial Members (Second Tier) 1.25 Percent at 65 Formula

A guarantee of 1.25 percent of final compensation at age 65 for each year of service credit. Retirement may begin at age 55, or as early as age 50 (if there is a combination of First Tier and Second Tier service; a reduced benefit rate will apply).

Local Miscellaneous Members 2 Percent at 60 Formula

- **Service not coordinated with Social Security** – A guarantee of 2 percent of final compensation at age 60 for each year of service credit. Retirement may begin at age 50 with a reduced benefit rate, or after age 60 with an increased benefit rate to age 63.

Notes:

- ¹ A member who has less than the required amount of service credit must return to CalPERS-covered employment to obtain the minimum service credit required to be eligible for retirement.
- ² The term “final compensation” appears throughout this section. It means the average payrate and special compensation over the last one year or three consecutive years of employment unless the member elects a different period with a higher average.

Program Data (continued)

- **Service coordinated with Social Security** – Same basic benefit rate; however, there is a reduction of \$133.33 from the final compensation before benefits are determined.

Local Miscellaneous Members 2 Percent at 55 Formula

- **Service not coordinated with Social Security** – A guarantee of 2 percent of final compensation at age 55 for each year of service credit. Retirement may begin at age 50 with a reduced benefit rate, or after age 55 with an increased benefit rate to age 63.
- **Service coordinated with Social Security** – Same basic benefit rate; however, there is a reduction of \$133.33 from the final compensation before benefits are determined.

Local Miscellaneous Members 2.5 Percent at 55 Formula

- **Service not coordinated with Social Security** – A guarantee of 2.5 percent of final compensation at age 55 for each year of service credit. Retirement may begin at age 50 with a reduced benefit rate.
- **Service coordinated with Social Security** – Same basic benefit rate; however, there is a reduction of \$133.33 from the final compensation before benefits are determined.

Local Miscellaneous Members 2.7 Percent at 55 Formula

- **Service not coordinated with Social Security** – A guarantee of 2.7 percent of final compensation at age 55 for each year of service credit. Retirement may begin at age 50 with a reduced benefit rate.
- **Service coordinated with Social Security** – Same basic benefit rate; however, there is a reduction of \$133.33 from the final compensation before benefits are determined.

Local Miscellaneous Members 3 Percent at 60 Formula

- **Service not coordinated with Social Security** – A guarantee of 3 percent of final compensation at age 60 for each year of service credit. Retirement may begin at age 50 with a reduced benefit rate.
- **Service coordinated with Social Security** – Same basic benefit rate; however, there is a reduction of \$133.33 from the final compensation before benefits are determined.

Local Safety Members 2 Percent at 50 Formula

2 percent of final compensation for each year of service for retirement at age 50, with an increased benefit rate to

age 55. The maximum allowance payable is 90 percent of final compensation.

State Safety Members & Local Safety Members 2 Percent at 55 Formula

2 percent of final compensation for each year of service for retirement at age 55. The maximum allowance payable is 90 percent of final compensation. Retirement may begin at age 50 with a reduced benefit rate.

Local Safety Members Half Pay at 55 Formula

This benefit is no longer available as a contract amendment. Only a small number of local agencies are still covered under this formula which guarantees one-half of final compensation at age 55 with 20 or more years of service credit. Retirement may begin at age 50 with a reduced benefit rate.

State Safety Members & Local Safety Members 2.5 Percent at 55 Formula

This benefit is no longer available as a contract amendment. It provides 2.5 percent of final compensation for each year of service for retirement at age 55. The maximum allowance payable is 80 percent of final compensation for State safety members and 90 percent for local safety members. Retirement may begin at age 50 with a reduced benefit rate.

State Patrol Members, Local Safety Members & State Peace Officer/Firefighter Members 3 Percent at 50 Formula

3 percent of final compensation for each year of service for retirement at age 50. The maximum allowance payable is 90 percent of final compensation for State patrol members, local safety members, and State peace officer/firefighters.

State Peace Officer/Firefighter Members & Local Safety Members 3 Percent at 55 Formula

3 percent of final compensation for each year of service for retirement at age 55. The maximum allowance payable is 90 percent for State peace officer/firefighter members and local safety members. Retirement may begin at age 50 with a reduced benefit rate.

DISABILITY RETIREMENT

For Most Members

A monthly allowance of 1.8 percent of final compensation for each year of service, improved under certain conditions to 33⅓ percent of final compensation, applicable to members with at least five years of service credit.

By Contract Amendment Only for Local Agencies

A monthly allowance of 30 percent of final compensation, plus an additional 1 percent for each year of service over five years to a maximum of 50 percent.

For State Second Tier Members

A monthly allowance of 1.125 percent of final compensation for each year of service, improved under certain conditions to 33⅓ percent of final compensation, applicable to members with at least 10 years of service credit or five years if credited as of January 1, 1985.

For Local Public Agency Members

A monthly allowance of 1.35 percent of final compensation for each year of service, improved under certain conditions to 33⅓ percent of final compensation, applicable to members with at least five years of service credit.

INDUSTRIAL DISABILITY RETIREMENT

For Most Members

A monthly allowance of 50 percent of final compensation, applicable to patrol members, State and local safety members, State peace officer/firefighter members, State industrial members, local miscellaneous members (by contract amendment only), and certain State miscellaneous members defined by law. The member must be serving in one of these categories at the time the industrial disability occurs. California Highway Patrol members may be entitled to an enhanced benefit if specific qualifying factors are met.

By Contract Amendment Only for Local Agencies

A monthly allowance of 75 percent of final compensation, if found totally disabled.

By Contract Amendment Only for Local Agencies

A monthly allowance of 50 percent to 90 percent of final compensation, depending on the disability rating by the Workers' Compensation Appeals Board.

DEATH BENEFITS (BEFORE RETIREMENT)

Basic Death Benefit – All Members Except State Employees

Eligible to retire or not – A return of member contributions plus interest (compounded annually) and an employer-paid portion equal to one month's compensation earnable for each year of current service to a maximum of six months.

Basic Death Benefit – State Employees Only

Eligible to retire or not eligible to retire with 20 years or more of State service credit – A return of member contributions plus interest (compounded annually) and a State-paid portion equal to six months' pay (50 percent of the member's earnable pay for the 12 months prior to the member's death).

Not eligible to retire with less than 20 years of State service credit – A return of only the member contributions plus interest (compounded annually).

Insurance Benefit – State Employees Only

Eligible to retire or not eligible to retire with 20 years or more of State service credit – \$5,000 in a lump sum.

Not eligible to retire with less than 20 years of State service credit – \$5,000 in a lump sum plus six months' pay (50 percent of annual compensation).

Alternate Death Benefit¹ – For State Members in Bargaining Units Contracting for this Benefit, Who are Not Eligible to Retire, With 20 Years or More of State Service Credit

A monthly allowance payable to a surviving spouse or registered domestic partner until death, then to children under age 18. It is calculated similarly to pre-retirement

Note:

¹ The surviving spouse or registered domestic partner of other than a State member, or a guardian of a minor child, may elect the Basic Death Benefit or the 1957 Survivor Benefit. The surviving spouse or registered domestic partner of a State member may elect the Basic Death Benefit or the Pre-Retirement Option 2W Death Benefit.

Option 2W (if the beneficiary is a spouse or registered domestic partner), or like a 1957 Survivor Benefit (if the beneficiary is a minor child), as though the member had been old enough to retire. A spouse or registered domestic partner or minor child may receive continued health and dental insurance with the Alternate Death Benefit.

Alternate Death Benefit for Firefighters – Local Agency Employers Contracting for this Benefit, With 20 Years or More of Total Service Credit

A monthly non-job-related allowance payable to a surviving spouse or registered domestic partner until death, then to children under age 18. It is calculated similarly to Pre-Retirement Option 2W (if the beneficiary is a spouse or registered domestic partner, even if the agency does not contract separately for the Pre-Retirement Option 2W benefit), or like a 1957 Survivor Benefit (if the beneficiary is a minor child), as though the member had either been old enough to retire (if the member died before reaching retirement age), or based on the member's actual age if the member was eligible to retire at the time of death. This benefit applies to all service credit earned by the member, including service that may have been earned with a local agency that does not contract for the Alternate Death Benefit, as long as the member was employed at the time of death by a local agency that provides this benefit in their contract.

Pre-Retirement Option 2W Benefit – Local Agencies by Contract, Married, or Registered Domestic Partnership

A monthly allowance payable to the surviving spouse or registered domestic partner until death, then to children under age 18, equal to what the deceased member would have received had they retired on the date of their death and elected Option 2W.

Pre-Retirement Option 2W Benefit¹ – For All State Members, Married, or Registered Domestic Partnership

A monthly allowance payable to the surviving spouse or registered domestic partner until death, then to children under age 18, equal to what the deceased member would have received had they retired on the date of their death and elected Option 2W.

1957 Survivor Benefit¹ – Local Members, Married, or Registered Domestic Partnership

For all members eligible to retire who are married or in a registered domestic partnership, a monthly allowance payable to the surviving spouse or registered domestic partner until death, then to children under age 18, equal to one-half of the highest allowance (unmodified) the member would have received had they retired on the date of death.

1957 Survivor Benefit¹ – All Members, Not Married, or No Registered Domestic Partnership

For all members eligible to retire who are not married or in a registered domestic partnership, a monthly allowance payable to the unmarried surviving minor children until age 18, equal to one-half of the highest allowance (unmodified) the member would have received had they retired on the date of death. Once allowance stops, the total allowance paid is compared to the Basic Death Benefit amount, and any difference is paid in a lump sum to all of the member's surviving children.

1959 Survivor Benefit – State & School Members & by Contract Option, Local Agency Members Not Coordinated With Social Security

A monthly benefit paid to survivors of deceased members who died prior to retirement. This benefit is similar to the Social Security Survivor Benefit and is paid in addition to any other applicable pre-retirement death benefit, except the Special Death Benefit.

Note:

¹ The surviving spouse or registered domestic partner of other than a State member, or a guardian of a minor child, may elect the Basic Death Benefit or the 1957 Survivor Benefit. The surviving spouse or registered domestic partner of a State member may elect the Basic Death Benefit or the Pre-Retirement Option 2W Death Benefit.

Special Death Benefit¹ – Survivors of Patrol, State & Local Safety, State Industrial & State Peace Officer/Firefighter Members, State Miscellaneous² & Local Miscellaneous by Contract Amendment²

A monthly allowance equal to 50 percent of final compensation payable to the surviving spouse or registered domestic partner until death, or if no spouse, to natural or adopted unmarried children up to age 22. The monthly allowance is recalculated annually on October 1 based on the salary rates for employees who work in the position the member held at the time of death until such time as the member would have attained age 50.

Special Death Benefit¹ – Violent Death

Provides increased benefits (up to 75 percent of final compensation) based upon the number of surviving children, if the member's death is the result of external violence or physical force.

DEATH BENEFITS (AFTER RETIREMENT)

Retired Death Benefit – State Members Only

A \$2,000 lump sum payable in addition to any optional settlement elected.

Retired Death Benefit – Local & School Members

A \$500, \$600, \$2,000, \$3,000, \$4,000, or \$5,000 lump sum (depending on the employer contract) payable in addition to any optional settlement elected.

Survivor Continuance Benefit – State Members, School Members & by Contract Option, Local Agency Members

- Service not coordinated with Social Security – 50 percent of the deceased member's unmodified retirement allowance amount will continue to an eligible survivor.
- Service coordinated with Social Security – 25 percent of the deceased member's unmodified retirement allowance amount will continue to an eligible survivor.

OPTIONAL SETTLEMENTS

For All Members

All the disability and service retirement allowances discussed in this section are the highest (unmodified) allowances payable to a retired member. There are six optional settlements to allow a member to reduce their allowance to provide a benefit to a named beneficiary at the member's death. Under two of these options, if the beneficiary predeceases the member, the member's allowance will be increased to the higher (unmodified) amount.

COST-OF-LIVING ADJUSTMENTS (COLA)

For All Members – Except State Second Tier

A maximum of 2 percent compounded annually (up to 5 percent maximum as a contract option for retired members of local agencies).

For State Second Tier Members Only

A fixed 3 percent compounded annually.

Notes:

- ¹ The Special Death Benefit is payable if the member's death is job related.
- ² The survivor of a State or local miscellaneous member qualifies for the Special Death Benefit if the member was killed or fatally injured while performing their official duties.

Program Data (continued)

Active & Inactive Members

Employer/Category	Active	Inactive	Total
State Miscellaneous – First Tier	146,258	46,742	193,000
State Miscellaneous – Second Tier	8,379	23,587	31,966
State Industrial – First Tier	9,854	1,074	10,928
State Industrial – Second Tier	893	1,001	1,894
State ARP ¹	15,842	3,580	19,422
Highway Patrol	7,199	272	7,471
State Safety	25,478	4,433	29,911
Peace Officer/Firefighter	45,881	5,379	51,260
University of California ²	2	79	81
TOTAL STATE MEMBERS	259,786	86,147	345,933
School – Miscellaneous	301,367	130,279	431,646
School – Safety	602	135	737
TOTAL SCHOOL MEMBERS	301,969	130,414	432,383
Public Agency – Miscellaneous	209,091	86,719	295,810
Public Agency – Safety	50,267	10,004	60,271
TOTAL PUBLIC AGENCY MEMBERS	259,358	96,723	356,081
TOTAL MEMBERS	821,113	313,284	1,134,397

Benefit Payments by Type

Category	Amount Paid
Service Retirement	\$9,832,150,382
Disability Retirement	526,320,720
Industrial Disability Retirement	1,211,176,434
PPPA Payments ³	60,244,271
TOTAL	\$11,629,891,807
Basic Death Benefit/Group Term Life Insurance	\$40,509,577
1957 Survivor Benefit	65,076,391
1959 Survivor Benefit	32,209,689
Industrial Death Allowance	35,506,591
Option 1, Temporary Annuity, Other Lump-Sum Death Benefits & Other Prior Year Adjustments	28,642,393
TOTAL	\$201,944,641
GRAND TOTAL	\$11,831,836,448

Benefit Recipients by Employer Category⁴

Employer/Category	Retired Members	Survivors & Beneficiaries	Total
State Miscellaneous – First Tier	107,966	19,948	127,914
State Miscellaneous – Second Tier	2,510	461	2,971
State Industrial – First Tier	4,060	577	4,637
State Industrial – Second Tier	129	15	144
Highway Patrol	6,004	941	6,945
State Safety	26,589	3,013	29,602
Peace Officer/Firefighter	3,135	241	3,376
TOTAL STATE	150,393	25,196	175,589
School – Miscellaneous	141,076	19,785	160,861
School – Safety	—	—	—
TOTAL SCHOOL	141,076	19,785	160,861
Public Agency – Miscellaneous	95,490	13,017	108,507
Public Agency – Safety	35,732	4,266	39,998
TOTAL PUBLIC AGENCY	131,222	17,283	148,505
TOTAL	422,691	62,264	484,955

Notes:

- ¹ The Alternate Retirement Program (ARP) is a mandated savings plan for State miscellaneous and industrial members hired after August 11, 2004, during their first two years of employment. While contributing to ARP during that period, they are also “non-contributing” CalPERS members.
- ² The number of University of California members continues to decline since new employees must join the University of California Retirement System (UCRS).
- ³ These payments were made from the Purchasing Power Protection Account, which is structured to maintain current benefit levels and to restore CalPERS allowances to 75 percent of their original purchasing power (80 percent for public agencies).
- ⁴ The actual number of benefit recipients is by the employer category from which they retired, regardless of whether they had service in other employer categories. The total includes only those recipients receiving a monthly allowance, and does not include recipients of one-time only payments.

Program Data (continued)

Benefit Payments by Type | Six-Year Review

Category	2009	2008	2007	2006	2005	2004
Service Retirement	\$9,832,150,382	\$8,989,399,878	\$8,233,421,767	\$7,550,688,820	\$6,837,660,779	\$6,126,399,264
Disability Retirement	526,320,720	508,340,191	498,297,616	469,318,366	452,965,751	436,760,071
Industrial Disability Retirement	1,211,176,434	1,141,230,969	1,073,697,728	986,653,060	918,589,118	846,201,803
PPPA Payments	60,244,271	59,612,434	63,851,575	64,455,662	65,678,127	71,005,179
TOTAL	\$11,629,891,807	\$10,698,583,472	\$9,869,268,686	\$9,071,115,908	\$8,274,893,775	\$7,480,366,317
Basic Death Benefit/Group Term Life Insurance	\$40,509,577	\$37,488,504	\$35,794,846	\$35,912,639	\$34,336,821	\$35,499,195
1957 Survivor Benefit	65,076,391	60,762,855	57,449,587	53,953,626	51,027,429	48,007,229
1959 Survivor Benefit	32,209,689	31,383,843	30,354,099	29,628,567	28,553,418	27,997,780
Industrial Death Allowance	35,506,591	33,600,164	31,351,295	28,785,227	27,095,550	25,302,686
Option 1, Temporary Annuity, Other Lump-Sum Death Benefits & Other Prior Year Adjustments	28,642,393	22,598,032	46,336,380	16,677,530	18,211,621	21,911,810
TOTAL	\$201,944,641	\$185,833,398	\$201,286,207	\$164,957,589	\$159,224,839¹	\$158,718,700
Refunds	\$186,783,064	\$182,415,410	\$181,574,603	\$170,929,432	\$155,236,438	\$151,526,342
GRAND TOTAL	\$12,018,619,512	\$11,066,832,280	\$10,252,129,496	\$9,407,002,930	\$8,589,355,052	\$7,790,611,359

Note:

¹ Includes "penalty interest" of \$2,767 for pre-retirement and \$6,098 for post-retirement death payments. Penalty interest is required when CalPERS is unable to pay death benefits within 45 days of receiving all documents establishing entitlement. The penalty interest rate is paid for each day exceeding the 45-day time limit, based on the interest crediting rate or the net earnings rate (including capital gains and losses) whichever is greater.

Program Data (continued)

Average Benefit Payments – As of June 30, 2008 | Six-Year Review

RETIREMENT EFFECTIVE DATES	Years of Credited Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
2007/08							
Average Monthly Allowance ¹	\$506	\$777	\$1,306	\$1,966	\$2,882	\$4,364	\$5,433
Average Final Compensation	\$6,138	\$4,358	\$4,518	\$4,970	\$5,587	\$6,472	\$6,864
Number of Recipients ¹	727	3,620	3,371	3,652	3,765	3,458	4,883
2006/07							
Average Monthly Allowance ¹	\$601	\$753	\$1,222	\$1,801	\$2,624	\$3,917	\$5,115
Average Final Compensation	\$6,125	\$4,294	\$4,356	\$4,632	\$5,182	\$5,925	\$6,539
Number of Recipients ¹	648	3,943	3,536	4,059	3,738	3,606	4,467
2005/06							
Average Monthly Allowance ¹	\$487	\$682	\$1,134	\$1,654	\$2,372	\$3,610	\$4,870
Average Final Compensation	\$6,040	\$4,012	\$4,144	\$4,405	\$4,858	\$5,689	\$6,294
Number of Recipients ¹	560	3,624	3,788	4,462	3,807	3,650	5,249
2004/05							
Average Monthly Allowance ¹	\$473	\$687	\$1,109	\$1,606	\$2,360	\$3,439	\$4,750
Average Final Compensation	\$5,534	\$3,926	\$4,017	\$4,289	\$4,837	\$5,488	\$6,132
Number of Recipients ¹	549	3,487	4,032	4,668	3,861	3,859	5,876
2003/04							
Average Monthly Allowance ¹	\$510	\$693	\$1,082	\$1,560	\$2,192	\$3,308	\$4,553
Average Final Compensation	\$5,443	\$3,835	\$3,863	\$4,171	\$4,492	\$5,254	\$5,915
Number of Recipients ¹	545	3,489	4,254	4,465	3,822	3,499	4,831
2002/03							
Average Monthly Allowance ¹	\$573	\$678	\$1,074	\$1,475	\$2,110	\$3,261	\$4,625
Average Final Compensation	\$4,996	\$3,609	\$3,752	\$3,936	\$4,350	\$5,156	\$5,888
Number of Recipients ¹	529	2,834	3,825	3,678	3,281	3,116	4,650

Note:

¹ These averages and totals are for retired members, beneficiaries, and community property recipients.

Public Agency Employers

CONTRACT ACTIONS SUMMARY

On June 30, 2009, 1,568 public agency contracts provided retirement, death, and survivor benefits for employees of 57 county superintendents of schools; four school district offices; 449 cities and towns; 36 counties; and 1,022 districts and other public agencies. The 57 county superintendents of schools contracts provide benefits for 1,458¹ school districts, bringing the total number of public agency employers to 3,026¹.

	Added	Merged	Terminated	Total
County Superintendents of Schools (for 1,458 school districts)	—	—	—	57
Los Angeles City Schools and Community College Districts	—	—	—	2
Los Angeles County Superintendents of Schools and San Diego County Superintendent of Schools	—	—	—	2
Cities/Towns	2	—	—	449
Counties	—	—	—	36
Districts and Other Public Agencies	14	-9	-4	1,022 ¹
TOTAL PUBLIC AGENCY CONTRACTS	16	-9	-4	1,568

AMENDMENTS

Public agency contracts vary depending upon the member categories covered, the formula the agency elects to provide, and the optional benefit provisions selected from a group of approximately 51 benefits. These optional benefits may be provided at the time the original contract is established or they may be added later through the contract amendment process.

During the 2008-09 fiscal year, 149 benefit changes were made through 126 contract amendments. The benefit formula changes for public agencies included:

- 14 to provide the 2.5 percent at 55 formula for active miscellaneous members;
- 15 to provide the 2.7 percent at 55 formula for active miscellaneous members;
- three to provide 3 percent at 60 formula for active miscellaneous members;
- two to provide 2 percent at 55 formula for miscellaneous members;

- eight to provide 3 percent at 50 formula for safety members;
- eight to provide 3 percent at 55 formula for safety members; and
- one to provide 2 percent at 50 formula for safety members.

TWO YEARS OF ADDITIONAL SERVICE CREDIT – THE GOLDEN HANDSHAKE

Contracting agencies may amend their contracts to provide additional service credit if there are impending mandatory transfers, layoffs, or demotions. Eligible employees who retire within a 90- to 180-day window period established by the employer receive two years additional service credit. The county schools may also contract for this benefit when there is an impending curtailment of, or change in the manner of performing services, and their best interest would be served by granting the additional service credit. Once the contract is amended, the employer may establish additional window periods.

In the 2008-09 fiscal year, 21 public agencies amended their contracts to provide the two years of additional service credit and 37 additional window periods were established. The County Offices of Education established 51 additional window periods for the Golden Handshake benefit.

POPULAR BENEFIT AMENDMENTS

Benefit	Number of amendments
2.5% at 55 Miscellaneous Formula	14
2.7% at 55 Miscellaneous Formula	15
One Year Final Compensation	16
Fourth Level of 1959 Survivor Benefits	4
3% at 60 Miscellaneous Formula	3
3% at 50 Safety Formula	8
3% at 55 Safety Formula	8
Pre-Retirement Optional Settlement 2 Death Benefit	10
Different Level of Benefits	9

Note:

¹ The totals for School Districts, Cities/Towns, and Districts and Other Public Agencies have been updated to accurately reflect the total number of agencies contracting with CalPERS. Totals in the prior report include agencies inadvertently misreported.

MERGERS

- Grant Joint Union High School District merged into the Twin Rivers Unified School District effective July 1, 2008. The contract was merged effective August 1, 2008.
- Clearlake Oaks Fire Protection District, Nice Community Services District, Lucerne Recreation and Park District and Upper Lake Fire Protection District merged into Northshore Fire Protection District effective November 7, 2006. The contracts were merged effective August 16, 2008.
- Community Development Commission of the City of National City merged into City of National City on May 20, 2008. The contract was merged effective January 27, 2009.
- East County Fire Protection District merged into San Miguel Consolidated Fire Protection District effective July 3, 2008. The contract was merged effective April 19, 2009.
- The contract with Rag Gulch Water District was merged into the contract with Kern Tulare Water District effective May 1, 2009.
- Suisun Fairfield Cemetery District merged into Suisun Fairfield Rockville Cemetery District effective August 13, 2007. The contract was merged effective May 3, 2009.

TERMINATIONS

- Oxnard Drainage District No. 2 effective November 14, 2008.
- Laney College Bookstore effective February 12, 2009.
- Provident Central Credit Union effective February 27, 2009.
- Deer Springs Fire Protection District effective April 15, 2009.

LARGEST PARTICIPATING EMPLOYERS

Employer	Number of Employees
State of California	345,933
Los Angeles County Schools	78,948
Los Angeles Unified School District	46,890
San Diego County Schools	24,817
Riverside County	24,748
Orange County Schools	21,328
Santa Clara County	20,687
San Bernardino County Schools	18,433
Riverside County Schools	17,287
Santa Clara County Schools	12,475

NEW CONTRACTS

During the 2008-09 fiscal year, 16 additional agencies contracted with CalPERS for retirement, death, and survivor benefits. The new contracting agencies are:

Effective Date	Public Agency	Misc. Member Formula	Safety Member Formula
7/1/08	Northern Salinas Valley Mosquito Abatement District	2% @ 55	—
7/1/08	Helendale Community Services District	2.7% @ 55	—
7/1/08	Resource Conservation District of the Santa Monica Mountains	2% @ 55	—
8/1/08	Twin Rivers Unified School District	—	3% @ 55
8/2/08	Joshua Basin Water District	2% @ 55	—
8/16/08	Northshore Fire Protection District	2% @ 55	3% @ 55
10/1/08	Associated Students of CSU, Chico, Inc.	2% @ 60	—
10/16/08	Granada Sanitary District	2% @ 55	—
1/1/09	North Delta Water Agency	2% @ 60	—
1/5/09	City of Wildomar	2.7% @ 55	—
1/12/09	Housing Authority of the County of Santa Clara	2% @ 55	—
1/19/09	Mendocino County Russian River Flood Control and Water Conservation Improvement District	2% @ 55	—
2/1/09	California Central Valley Flood Control Association	2% @ 60	—
2/15/09	Tuolumne Fire District	—	3% @ 55
5/1/09	Kern Tulare Water District	2% @ 60	—
6/8/09	City of Menifee	2.7% @ 55	—

Public Agency Employers (continued)

RECIPROCAL SYSTEMS

Reciprocity is a valuable addition to the CalPERS benefit package. Its purpose is to encourage career public service, by allowing members to move between employers under different public retirement systems without losing their retirement and related benefits.

The following retirement systems have reciprocity with CalPERS:

The University of California Retirement Plan (UCRP)

Counties Under the County Employees' Retirement Law of 1937

- Alameda
- Contra Costa
- Fresno
- Imperial
- Kern
- Los Angeles
- Marin
- Mendocino
- Merced
- Orange
- Sacramento
- San Bernardino
- San Diego
- San Joaquin
- San Mateo
- Santa Barbara
- Sonoma
- Stanislaus
- Tulare
- Ventura

Employers with Reciprocity

- California Administrative Services Authority
- Concord, City of
- Contra Costa Water District
- Costa Mesa, City of (safety only)
- East Bay Municipal Utility District
- East Bay Regional Park District (safety only)
- Fresno, City of
- Long Beach Schools Business Management Authority
- Los Angeles, City of (Miscellaneous only)
- Los Angeles County Metropolitan Transportation Authority
- Oakland, City of (non-safety only)
- Pasadena, City of (fire and police only)
- Sacramento, City of
- San Clemente, City of (non-safety only)
- San Diego, City of
- San Francisco, City & County of
- San Jose, City of
- San Luis Obispo, County of

Systems with Limited Reciprocity

- Judges' Retirement System
- Judges' Retirement System II
- Legislators' Retirement System
- California State Teachers' Retirement System

PARTICIPATING PUBLIC AGENCIES BY TYPE

Total number of CalPERS members for each agency follows its name.

County Superintendents of Schools (57 total)

Alameda	10,373	Orange	21,328
Alpine	48	Placer	2,933
Amador	211	Plumas	262
Butte	2,312	Riverside	17,287
Calaveras	454	Sacramento	12,081
Colusa	266	San Benito	509
Contra Costa	7,191	San Bernardino	18,433
Del Norte	187	San Diego	24,817
El Dorado	1,624	San Joaquin	6,276
Fresno	9,434	San Luis Obispo	2,185
Glenn	387	San Mateo	4,703
Humboldt	1,577	Santa Barbara	3,504
Imperial	2,087	Santa Clara	12,475
Inyo	218	Santa Cruz	2,162
Kern	9,763	Shasta	1,961
Kings	1,353	Sierra	35
Lake	550	Siskiyou	672
Lassen	356	Solano	3,098
Los Angeles	78,948	Sonoma	3,798
Madera	1,316	Stanislaus	5,706
Marin	1,634	Sutter	830
Mariposa	171	Tehama	837
Mendocino	1,241	Trinity	257
Merced	3,228	Tulare	5,224
Modoc	163	Tuolumne	420
Mono	158	Ventura	6,243
Monterey	4,173	Yolo	1,502
Napa	1,342	Yuba	987
Nevada	683		

School District Offices (4 total)

Los Angeles Unified School District	46,890
Los Angeles Community College District	3,162
Los Angeles County Office of Education	3,610
San Diego County Office of Education	1,140

Public Agency Employers (continued)

Counties (36 total)

Alpine	111	Nevada	1,313
Amador	611	Placer	3,193
Butte	2,585	Plumas	585
Calaveras	719	Riverside	24,748
Colusa	438	San Benito	673
Del Norte	730	San Francisco City &	
El Dorado	2,579	County ¹	1,366
Glenn	665	Santa Clara	20,687
Humboldt	2,660	Santa Cruz	3,326
Inyo	570	Shasta	2,254
Kings	1,757	Sierra	149
Lake	1,383	Siskiyou	979
Lassen	716	Solano	3,781
Madera	1,980	Sutter	1,277
Mariposa	541	Tehama	1,172
Modoc	643	Trinity	515
Mono	443	Tuolumne	1,505
Monterey	6,527	Yolo	2,379
Napa	1,731	Yuba	1,263

Note:

¹ This agency has both City and County employees and is listed in both areas; however, it is included only in the “total” count of the Cities & Towns category.

Cities & Towns (449 total)

Adelanto	217	Barstow	193
Agoura Hills	48	Beaumont	188
Alameda	797	Bell	247
Albany	110	Bell Gardens	220
Alhambra	662	Bellflower	134
Aliso Viejo	22	Belmont	194
Alturas	30	Belvedere	28
American Canyon	97	Benicia	311
Anaheim	3,300	Berkeley	2,030
Anderson	75	Beverly Hills	1,163
Angels	57	Biggs	12
Antioch	486	Bishop	41
Apple Valley	165	Blue Lake	14
Arcadia	466	Blythe	128
Arcata	150	Bradbury	4
Arroyo Grande	109	Brawley	208
Artesia	54	Brea	472
Arvin	73	Brentwood	351
Atascadero	202	Brisbane	134
Atherton	80	Buellton	29
Atwater	147	Buena Park	418
Auburn	110	Burbank	1,751
Avalon	85	Burlingame	308
Avenal	41	Calabasas	156
Azusa	440	Calexico	290
Bakersfield	1,750	California City	109
Baldwin Park	634	Calimesa	16
Banning	254	Calipatria	23

Cities & Towns (continued)

Calistoga	73	Dunsmuir	15
Camarillo	180	East Palo Alto	119
Campbell	196	El Cajon	689
Canyon Lake	8	El Centro	381
Capitola	107	El Cerrito	256
Carlsbad	875	El Monte	471
Carmel-by-the-Sea	110	El Segundo	463
Carpinteria	54	Elk Grove	281
Carson	634	Emeryville	76
Cathedral City	285	Encinitas	323
Cerritos	511	Escalon	56
Chico	462	Escondido	1,196
Chino	629	Etna	9
Chowchilla	108	Eureka	328
Chula Vista	1,382	Exeter	48
Citrus Heights	232	Fairfax	60
Claremont	309	Fairfield	695
Clayton	41	Farmersville	49
Clearlake	78	Fillmore	54
Cloverdale	73	Firebaugh	66
Clovis	914	Folsom	635
Coachella City	100	Fontana	926
Colfax	10	Fort Bragg	88
Colma	61	Fortuna	99
Colton	516	Fountain Valley	297
Colusa	55	Fowler	43
Commerce	198	Fremont	1,128
Compton	722	Fullerton	864
Concord	705	Galt	228
Corcoran	113	Garden Grove	908
Corning	57	Gardena	543
Corona	974	Gilroy	307
Coronado	392	Glendale	2,621
Corte Madera	86	Glendora	285
Costa Mesa	972	Goleta	64
Cotati	64	Gonzales	54
Covina	296	Grand Terrace	88
Crescent City	98	Grass Valley	139
Cudahy	30	Greenfield	63
Culver City	899	Gridley	68
Cupertino	200	Grover Beach	103
Cypress	249	Guadalupe	66
Daly City	823	Gustine	33
Dana Point	100	Half Moon Bay	64
Davis	609	Hanford	339
Del Mar	81	Hawaiian Gardens	105
Del Rey Oaks	13	Hawthorne	494
Delano	48	Hayward	1,010
Desert Hot Springs	129	Healdsburg	167
Diamond Bar	74	Hemet	404
Dinuba	272	Hercules	232
Dixon	139	Hermosa Beach	215
Dos Palos	37	Hesperia	178
Downey	604	Hidden Hills	5
Duarte	71	Highland	51
Dublin	115	Hillsborough	139

Public Agency Employers (continued)

Cities & Towns (continued)

Hollister	179	Lynwood	301	Palm Springs	625	San Bruno	325	Sunnyvale	1,246
Hughson	46	Madera	413	Palmdale	431	San Buenaventura	884	Susanville	92
Huntington Beach	1,335	Malibu	98	Palo Alto	1,320	San Carlos	200	Sutter Creek	21
Huntington Park	246	Mammoth Lakes	141	Palos Verdes Estates	100	San Clemente	46	Taft	190
Imperial	63	Manhattan Beach	365	Paradise	143	San Dimas	107	Tehachapi	61
Imperial Beach	116	Manteca	474	Paramount	141	San Fernando	169	Temecula	272
Indian Wells	52	Marina	136	Parlier	48	San Francisco	1,366	Temple City	54
Indio	326	Martinez	54	Pasadena	2,440	San Gabriel	218	Thousand Oaks	517
Industry	30	Marysville	91	Paso Robles	233	San Jacinto	103	Tiburon	61
Inglewood	1,056	Maywood	115	Patterson	122	San Joaquin	20	Torrance	1,752
Ione	27	Menifee	0	Perris	113	San Jose	10	Tracy	609
Irvine	1,131	Menlo Park	385	Petaluma	480	San Leandro	538	Truckee	152
Irwindale	112	Merced	620	Pico Rivera	199	San Luis Obispo	542	Tulare	506
Jackson	38	Mill Valley	240	Piedmont	134	San Marcos	279	Tulelake	21
Kerman	69	Millbrae	212	Pinole	175	San Marino	186	Turlock	600
King City	65	Milpitas	523	Pismo Beach	141	San Mateo	696	Tustin	430
Kingsburg	90	Mission Viejo	200	Pittsburg	336	San Pablo	175	Twentynine Palms	56
La Canada Flintridge	46	Modesto	1,374	Placentia	164	San Ramon	372	Ukiah	259
La Habra	566	Monrovia	362	Placerville	123	Sand City	29	Union City	431
La Habra Heights	28	Montague	7	Pleasant Hill	194	Sanger	165	Upland	436
La Mesa	332	Montclair	316	Pleasanton	622	Santa Ana	1,872	Vacaville	660
La Mirada	124	Monte Sereno	10	Pomona	856	Santa Barbara	1,529	Vallejo	551
La Palma	102	Montebello	713	Port Hueneme	176	Santa Clara	1,091	Vernon	451
La Puente	60	Monterey	660	Porterville	387	Santa Clarita	626	Victorville	772
La Quinta	131	Monterey Park	531	Portola	22	Santa Cruz	1,081	Villa Park	7
La Verne	223	Moorpark	91	Portola Valley	18	Santa Fe Springs	256	Visalia	673
Laguna Beach	319	Moraga	53	Poway	333	Santa Maria	703	Vista	493
Laguna Hills	56	Moreno Valley	667	Rancho Cordova	78	Santa Monica	2,894	Walnut	83
Laguna Niguel	128	Morgan Hill	260	Rancho Cucamonga	678	Santa Paula	207	Walnut Creek	673
Laguna Woods	12	Morro Bay	130	Rancho Mirage	113	Santa Rosa	1,571	Wasco	80
Lake Elsinore	105	Mountain View	860	Rancho Palos Verdes	164	Santee	191	Waterford	23
Lake Forest	97	Mt. Shasta	51	Rancho Santa Margarita	26	Saratoga	101	Watsonville	500
Lakeport	56	Murrieta	340	Red Bluff	141	Sausalito	166	Weed	43
Lakewood	392	Napa	505	Redding	929	Scotts Valley	102	West Covina	499
Lancaster	712	National City	483	Redlands	550	Seal Beach	118	West Hollywood	297
Larkspur	74	Needles	149	Redondo Beach	664	Seaside	267	West Sacramento	539
Lathrop	132	Nevada City	40	Redwood City	882	Sebastopol	56	Westlake Village	23
Lawndale	126	Newark	309	Reedley	155	Selma	182	Westminster	380
Lemon Grove	96	Newman	60	Rialto	505	Shafter	170	Whittier	523
Lemoore	172	Newport Beach	1,134	Richmond	1,063	Shasta Lake	64	Wildomar	5
Lincoln	234	Norco	144	Ridgecrest	174	Sierra Madre	107	Williams	40
Lindsay	123	Norwalk	322	Rio Vista	66	Signal Hill	183	Willits	75
Live Oak	26	Novato	303	Ripon	28	Simi Valley	754	Willows	44
Livermore	655	Oakdale	134	Riverbank	86	Solana Beach	90	Windsor	140
Livingston	103	Oakland	5,270	Riverside	2,754	Soledad	107	Winters	45
Lodi	588	Oakley	43	Rocklin	429	Solvang	45	Woodlake	60
Loma Linda	125	Oceanside	1,319	Rohnert Park	269	Sonoma	106	Woodland	434
Lomita	62	Ojai	46	Rolling Hills	3	Sonora	64	Woodside	29
Lompoc	480	Ontario	1,217	Rolling Hills Estates	37	South El Monte	99	Yorba Linda	163
Long Beach	6,578	Orange	886	Rosemead	114	South Gate	551	Yountville	35
Loomis	17	Orange Cove	26	Roseville	1,448	South Lake Tahoe	298	Yreka	77
Los Alamitos	74	Orland	44	Ross	31	South Pasadena	254	Yuba City	386
Los Altos	176	Oroville	161	Sacramento	5,957	South San Francisco	584	Yucaipa	75
Los Altos Hills	24	Oxnard	2,737	Salinas	639	St. Helena	99	Yucca Valley	82
Los Banos	194	Pacific Grove	126	San Anselmo	103	Stanton	79		
Los Gatos	240	Pacifica	286	San Bernardino	1,772	Stockton	2,189		
Loyalton	4	Palm Desert	207			Suisun City	143		

Public Agency Employers (continued)

Districts & Other Public Agencies (1,022 total)

Academic Senate for California Community Colleges	25	Bardsdale Cemetery District	4
Access Services Incorporated	119	Barstow Cemetery District	5
Agoura Hills & Calabasas Community Center	16	Bay Area Air Quality Management District	438
Alameda Alliance for Health	277	Bay Area Water Supply & Conservation Agency	9
Alameda Corridor Transportation Authority	19	Beach Cities Health District	151
Alameda County Congestion Management Agency	29	Bear Mountain Recreation & Park District	8
Alameda County Fire Department	339	Bear Valley Community Services District	54
Alameda County Law Library	16	Beaumont District Library	9
Alameda County Mosquito Abatement District	16	Beaumont-Cherry Valley Recreation & Park District	27
Alameda County Schools Insurance Group	9	Beaumont-Cherry Valley Water District	36
Alameda County Transportation Improvement Authority	2	Bella Vista Water District	26
Alameda County Waste Management Authority	40	Belmont-San Carlos Fire Department	58
Alameda County Water District	258	Belvedere-Tiburon Library Agency	19
Albany Municipal Services Joint Powers Authority	27	Ben Lomond Fire Protection District	1
Alhambra Redevelopment Agency	9	Benicia City Housing Authority	17
Alliance of Schools for Cooperative Insurance Programs	23	Bennett Valley Fire Protection District	8
Alpine Fire Protection District	24	Big Bear Area Regional Wastewater Agency	23
Alta California Regional Center Inc.	469	Big Bear City Airport District	6
Alta Irrigation District	40	Big Bear City Community Services District	82
Altadena Library District	25	Big Bear Municipal Water District	11
Amador County Transportation Commission	4	Bighorn-Desert View Water Agency	15
Amador Regional Transit District	41	Black Gold Cooperative Library System	16
Amador Water Agency	76	Blanchard/Santa Paula Public Library District	11
American Canyon Fire Protection District	16	Blue Lake Fire Protection District	1
American River Flood Control District	9	Bodega Bay Fire Protection District	23
Anderson Cemetery District	3	Bolinas Community Public Utility District	8
Anderson Fire Protection District	8	Bolinas Fire Protection District	2
Angiola Water District	6	Bonita-Sunnyside Fire Protection District	18
Antelope Valley Mosquito & Vector Control District	5	Boron Community Services District	3
Antelope Valley Schools Transportation Agency	305	Borrego Springs Fire Protection District	28
Antelope Valley Transit Authority	34	Borrego Water District	17
Apple Valley Fire Protection District	72	Boulder Creek Fire Protection District	1
Aptos/La Selva Fire Protection Agency	40	Branciforte Fire Protection District	4
Arbuckle-College City Fire Protection District	4	Brannan-Andrus Levee Maintenance District	1
Arcade Creek Recreation & Park District	11	Broadmoor Police Protection District	15
Arcata Fire Protection District	20	Brooktrails Township Community Services District	14
Area 12 Agency on Aging	37	Browns Valley Irrigation District	15
Armona Community Services District	2	Buena Park Library District	28
Aromas Water District	6	Burney Basin Mosquito Abatement District	1
Arrowbear Park County Water District	6	Burney Fire District	11
Arroyo Grande District Cemetery	5	Burney Water District	12
Associated Students, California State University, San Bernardino	2	Butte County Air Quality Management District	13
Associated Students of CSU, Chico, Inc.	127	Butte County Association of Governments	12
Association of Bay Area Governments	146	Butte County In-Home Supportive Services Public Authority	5
Association of California Water Agencies	72	Butte County Mosquito & Vector Control District	19
Association of California Water Agencies – Joint Powers Insurance Authority	48	Butte Local Agency Formation Commission	4
Association of Monterey Bay Area Governments	34	Butte Schools Self-Funded Programs	2
Atascadero Cemetery District	5	Butte-Glenn Community College District	473
Auburn Area Recreation & Park District	92	Byron-Bethany Irrigation District	19
Auburn Public Cemetery District	7	Cabrillo College Foundation	7
Avila Beach Community Services District	1	Cachuma Operation & Maintenance Board	21
Aztec Shops, Ltd.	109	Cal Poly Corporation	513
BETA Healthcare Group Risk Management Authority	71	Cal Poly Pomona Foundation, Inc.	429
Baldwin Park Unified School District	941	Calaveras Council of Governments	4
Baldy Mesa Water District	2	Calaveras County Water District	93
Bard Water District	25	Calaveras Public Utility District	9
		California Association for Park & Recreation Indemnity	3

Public Agency Employers (continued)

Districts & Other Public Agencies (continued)

California Authority of Racing Fairs	22	Central Marin Sanitation Agency	45
California Bear Credit Union	98	Central Sierra Child Support Agency	29
California Central Valley Flood Control Association	2	Central Sierra Planning Council	4
California Fair Services Authority	50	Central Valley Regional Center, Inc.	393
California Fairs Financing Authority	46	Central Water District	4
California Firefighter's Joint Apprenticeship Committee	37	Chester Fire Protection District	12
California Interscholastic Federation, Central Coast Section	7	Chester Public Utility District	4
California Interscholastic Federation, Central Section	2	Chico Area Recreation & Park District	88
California Interscholastic Federation, North Coast Section	9	Chino Basin Water Conservation District	14
California Interscholastic Federation, Northern Section	2	Chino Basin Watermaster	14
California Interscholastic Federation, Sac-Joaquin Section	6	Chino Valley Independent Fire District	138
California Interscholastic Federation, San Diego Section	3	Citrus Heights Water District	30
California Interscholastic Federation, Southern Section	18	Citrus Pest Control District of Riverside County, No. 2 of	2
California Interscholastic Federation, State Office	18	Clear Creek Community Services District	11
California Joint Powers Insurance Authority	27	Clearlake Oaks County Water District	26
California Joint Powers Risk Management Authority	7	Cloverdale Citrus Fair	5
California Maritime Academy Foundation, Inc.	2	Cloverdale Fire Protection District	4
California Municipal Utilities Association	4	Clovis Cemetery District	12
California Pines Community Services District	17	Coachella Valley Association of Governments	26
California Redevelopment Association Foundation	16	Coachella Valley Mosquito Abatement District	92
California School Boards Association	192	Coachella Valley Public Cemetery District	6
California Special Districts Association	26	Coachella Valley Water District	595
California State & Federal Employees No. 20 Credit Union	16	Coalinga-Huron Cemetery District	2
California State University, Bakersfield Foundation	70	Coalinga-Huron Mosquito Abatement District	0
California State University, Fresno Association, Inc.	224	Coalinga-Huron Recreation & Park District	21
California State University, Fresno Athletic Corporation	140	Coalinga/Huron Unified School District Library District	10
California State University, Stanislaus Auxiliary & Business Services	50	Coast Life Support District	10
Callayomi County Water District	4	Coastal Developmental Services Foundation DBA Westside Regional Center	268
Calleguas Municipal Water District	72	Coastside County Water District	25
Camarillo Health Care District	73	Coastside Fire Protection District	13
Cambria Cemetery District	1	Coffax Cemetery District	3
Cambria Community Healthcare District	15	College Town	0
Cambria Community Services District	43	College of the Canyons Foundation	2
Cameron Park Community Services District	16	Colusa County One-Stop Partnership	22
Camrosa Water District	28	Colusa Mosquito Abatement District	5
Capitol Area Development Authority	52	Community College League of California	32
Carmel Area Wastewater District	27	Community Development Commission of Los Angeles County	1,200
Carmel Highlands Fire Protection District of Monterey County	1	Community Development Commission of Mendocino County	42
Carmel Regional Fire Ambulance Authority	6	Compton Creek Mosquito Abatement District	1
Carmel Valley Fire Protection District	14	Compton Unified School District	1,976
Carmichael Water District	37	Conejo Recreation & Park District	273
Carpinteria Sanitary District	19	Consolidated Area Housing, Sutter County	44
Carpinteria Valley Water District	23	Consolidated Mosquito Abatement District	26
Casitas Municipal Water District	56	Contra Costa Community College District	1,022
Castaic Lake Water Agency	119	Contra Costa County Law Library	5
Castro Valley Sanitary District	17	Contra Costa County Schools Insurance Group	64
Castroville Community Services District	7	Contra Costa Transportation Authority	23
Cawelo Water District	18	Cooperative Organization for the Development of Employee Selection Procedures	11
Cayucos Sanitary District	9	Cooperative Personnel Services	451
Cayucos-Morro Bay Cemetery District	4	Copperopolis Fire Protection District	11
Centerville Community Services District	6	Cordelia Fire Protection District of Solano County	7
Central Basin Municipal Water District	45	Cordova Recreation & Park District	46
Central Calaveras Fire & Rescue Protection District	9	Corning Water District	3
Central Coast Computing Authority	6	Costa Mesa Sanitary District	13
Central Coast Water Authority	43	Cosumnes Community Services District	600
Central Contra Costa Transit Authority	389	Cottonwood Fire Protection District	4
Central Fire Protection District of Santa Cruz County	55		

Public Agency Employers (continued)

Districts & Other Public Agencies (continued)

Cottonwood Water District	3	Fairfield-Suisun Sewer District	0
Crescent City Harbor District	14	Fall River Mills Community Services District	4
Crescenta Valley Water District	35	Fallbrook Public Utility District	82
Crestline Lake Arrowhead Water Agency	12	Far Northern Regional Center	209
Crestline Village Water District	14	Feather River Air Quality Management District	13
Crockett-Community Services District	3	Feather River Recreation & Park District	27
CSAC Excess Insurance Authority	71	Feather Water District	3
Cucamonga Valley Water District	152	Felton Fire Protection District	2
Cutler Public Utility District	5	Fern Valley Water District	5
Cutler-Orosi Joint Powers Wastewater Authority	3	Florin County Water District	9
Cuyama Valley Recreation District	1	Florin Resource Conservation District Elk Grove Water Works	35
Dairy Council of California	113	Fontana Unified School District	1,708
Daly City Redevelopment Agency	0	Foothill Municipal Water District	11
Davis Cemetery District	5	Foresthill Public Utility District	13
De Luz Community Services District	4	Forestville County Water District	3
Del Norte County Library District	4	Forestville Fire Protection District	7
Del Paso Manor Water District	5	Fort Bragg Fire Protection Authority	4
Del Puerto Water District	5	Fort Ord Reuse Authority	17
Del Rey Community Services District	4	Foundation for California Community Colleges	166
Delano Mosquito Abatement District	6	Fresno City Housing Authority	169
Delta Diablo Sanitation District	81	Fresno County Housing Authority	166
Delta Vector Control District	20	Fresno County Law Library	6
Denair Community Services District	6	Fresno Westside Mosquito Abatement District	7
Desert Water Agency	92	Fruitridge Fire Protection District	0
Diablo Water District	16	Fullerton California State University Associated Students	83
Diamond Springs/El Dorado Fire Protection District	26	Fulton-El Camino Recreation & Parks District	21
Dixon Public Library District	16	Garden Valley Fire Protection District	10
Donald P. & Katherine B. Loker University Student Union, Inc.	14	Georgetown Divide Public Utility District	25
Dougherty Regional Fire Authority	8	Georgetown Fire Protection District	14
Downey Cemetery District	0	Gilsizer County Drainage District	6
Dublin San Ramon Services District	134	Glen Ellen Fire Protection District	4
Durham Mosquito Abatement District	1	Glendale College, Associated Students of	20
East Bay Dischargers Authority	3	Glendale Community College District	468
East Bay Regional Park District	711	Glenn County Mosquito & Vector Control District	1
East Contra Costa Irrigation District	19	Gold Coast Transit	235
East Kern Airport District	29	Gold Ridge Fire Protection District	11
East Orange County Water District	10	Gold Ridge Resource Conservation District	5
East Palo Alto Sanitary District	14	Golden Gate Bridge Highway & Transportation District	599
East Quincy Services District	6	Golden Hills Community Services District	13
East San Gabriel Valley Human Services Consortium	80	Golden Sierra Job Training Agency	35
East Valley Water District	82	Goleta Sanitary District	48
Eastern Municipal Water District	730	Goleta Water District	78
Eastern Sierra Transit Authority	37	Goleta West Sanitary District	8
Ebbetts Pass Fire Protection District	30	Granada Sanitary District	2
El Dorado County Fire Protection District	104	Great Basin Unified Air Pollution Control District	32
El Dorado County Transit Authority	97	Greater Anaheim Special Education Local Plan Area	84
El Dorado County Transportation Commission	8	Greater Los Angeles County Vector Control District	75
El Dorado Hills Community Services District	64	Greater Vallejo Recreation District	49
El Dorado Hills County Water District	66	Green Valley County Water District	2
El Dorado Irrigation District	332	Greenfield Fire Protection District	5
Encina Wastewater Authority	88	Gridley Biggs Cemetery District	5
Esparto Community Services District	8	Grossmont Healthcare District	8
Esparto Fire Protection District	2	Grossmont Schools Federal Credit Union	27
Estero Municipal Improvement District	285	Grossmont-Cuyamaca Community College District	698
Exeter District Ambulance	24	Groveland Community Services District	42
Exposition Metro Line Construction Authority	8	Gualala Community Services District	5
Fair Oaks Recreation & Park District	58	Hacienda La Puente Unified School District	1,489
Fair Oaks Water District	53	Hamilton Branch Fire Protection District	1

Public Agency Employers (continued)

Districts & Other Public Agencies (continued)

Happy Camp Sanitary District	2	Janesville Fire Protection District	2
Happy Homestead Cemetery District	2	Joshua Basin Water District	24
Happy Valley Fire District	3	June Lake Public Utility District	9
Hayward Area Recreation & Park District	173	Jurupa Area Recreation & Park District	16
Hayward California State University, Auxiliary Foundation, Inc.	203	Jurupa Community Services District	135
Health Plan of San Joaquin	165	Kaweah Delta Water Conservation District	25
Heartland Communications Facility Authority	50	Kelseyville Fire Protection District	19
Heber Public Utility District	14	Kensington Community Services District	10
Helendale Community Services District	10	Kentfield Fire Protection District	15
Helix Water District	190	Kenwood Fire Protection District	2
Henry Miller Reclamation District No. 2131	47	Kern County Council of Governments	22
Herald Fire Protection District	1	Kern County Housing Authority	158
Heritage Ranch Community Services District	16	Kern County Law Library	5
Hesperia Water District	77	Kern County Local Agency Formation Commission	1
Hesperia Fire Protection District	42	Kern Health Systems	292
Hi-Desert Water District	57	Kern River Valley Cemetery District	3
Hidden Valley Lake Community Services District	18	Kern Tulare Water District	8
Higgins Area Fire Protection District	26	Kettleman City Community Services District	5
Hilton Creek Community Services District	2	Kings County Area Public Transit Agency	25
Hopland Public Utility District	2	Kings County Association of Governments	6
Housing Authority of the City of Calexico	26	Kings County In-Home Supportive Services Public Authority	4
Housing Authority of the City of Eureka	25	Kings Mosquito Abatement District	12
Housing Authority of the City of Livermore	22	Kings Waste & Recycling Authority	83
Housing Authority of the City of Los Angeles	1,382	Kinneloa Irrigation District	3
Housing Authority of the City of Madera	57	Kirkwood Meadows Public Utilities District	15
Housing Authority of the City of San Buenaventura	53	Konocti County Water District	10
Housing Authority of the City of San Luis Obispo	48	La Branza Water District	0
Housing Authority of the City of South San Francisco	4	La Habra Heights County Water District	11
Housing Authority of the County of Butte	51	La Puente Valley County Water District	17
Housing Authority of the County of Santa Clara	223	Laguna Beach County Water District	50
Housing Authority of the County of Santa Cruz	96	Lake Arrowhead Community Services District	83
Hub Cities Consortium	49	Lake County Fire Protection District	28
Human Rights/Fair Housing Commission of the City & County of Sacramento	29	Lake County Vector Control District	10
Humboldt Bay Harbor Recreation & Conservation District	21	Lake Don Pedro Community Services District	10
Humboldt Bay Municipal Water District	27	Lake Hemet Municipal Water District	63
Humboldt Community Services District	24	Lake Oroville Area Public Utility District	8
Humboldt County Association of Governments	4	Lake Shastina Community Services District	20
Humboldt No. 1 Fire Protection District of Humboldt County	24	Lake Valley Fire Protection District	50
Humboldt State College University Center	76	Lakeport County Fire Protection District	20
Humboldt Transit Authority	62	Lakeside Fire Protection District	69
Humboldt Waste Management Authority	40	Lakeside Water District	24
Idyllwild Fire Protection District	11	Lamont Public Utility District	2
Independent Cities Association, Inc.	0	Las Gallinas Valley Sanitary District of Marin County	17
Indian Wells Valley Water District	41	Las Virgenes Municipal Water District	166
Inland Counties Regional Center, Inc.	753	Lassen County Waterworks District No. 1	1
Inland Empire Health Plan	599	League of California Cities	131
Inland Empire Resource Conservation District	19	Leucadia Wastewater District	26
Inland Empire Utilities Agency	396	Levee District No. 1 of Sutter County	2
Intelcom Intelligent Telecommunications	48	Linda County Water District	12
Intergovernmental Training & Development Center	9	Linda Fire Protection District	14
Inverness Public Utility District	4	Linden-Peters Rural County Fire Protection District	13
Ironhouse Sanitary District	33	Lindsay Strathmore Public Cemetery District	5
Irvine Child Care Project	0	Little Lake Fire Protection District	4
Irvine Ranch Water District	386	Littlerock Creek Irrigation District	6
Isla Vista Recreation & Park District	19	Live Oak Cemetery District	3
Jackson Valley Irrigation District	2	Livermore/Amador Valley Transit Authority	21
Jamestown Sanitary District	6	Local Agency Formation Commission of Monterey County	3
		Local Government Services Authority, a Joint Powers Authority	52

Public Agency Employers (continued)

Districts & Other Public Agencies (continued)

Lompico County Water District	3	Mid-Placer Public Schools Transportation Agency	104
Long Beach City College Associated Student Body Enterprises	29	Mid-Peninsula Regional Open Space District	150
Long Beach State University, Associated Students	76	Midway City Sanitary District	39
Long Beach State University, Forty-Niner Shops, Inc.	78	Millview County Water District	7
Los Alamos Community Services District	7	Minter Field Airport District	15
Los Angeles City Community Redevelopment Agency	310	Mission Springs Water District	67
Los Angeles County Area 'E' Civil Defense & Disaster Board	1	Mojave Water Agency	45
Los Angeles County Housing Authority	0	Mokelumne Rural Fire District	11
Los Angeles County Law Library	58	Monte Vista County Water District	48
Los Angeles County Sanitation District No. 2	2,237	Montecito Fire Protection District	53
Los Angeles County West Vector Control District	42	Montecito Sanitary District of Santa Barbara County	17
Los Angeles Memorial Coliseum Commission	38	Montecito Water District	31
Los Angeles Regionalized Insurance Services Authority	0	Monterey Bay Unified Air Pollution Control District	45
Los Angeles to Pasadena Metro Blue Line Construction Authority	12	Monterey County Water Resources Agency	72
Los Gatos-Saratoga Department of Community Education & Recreation	54	Monterey Peninsula Airport District	69
Los Osos Community Services District	29	Monterey Peninsula Regional Park District	15
Lower Lake Cemetery District	3	Monterey Peninsula Water Management District	37
Lower Lake County Waterworks District No. 1	5	Monterey Regional Waste Management District	173
Lower Tule River Irrigation District	38	Monterey Regional Water Pollution Control Agency	98
Madera Cemetery District	16	Monterey-Salinas Transit	369
Madera County Mosquito & Vector Control District	10	Montezuma Fire Protection District	8
Main San Gabriel Basin Watermaster	13	Morongo Basin Transit Authority	58
Majestic Pines Community Services District	3	Mother Lode Job Training Agency	33
Mammoth Lakes Fire District	17	Moulton-Niguel Water District	134
Mammoth Lakes Mosquito Abatement District	1	Mountain-Valley Library System	0
Management of Emeryville Services Authority	148	Mountains Recreation & Conservation Authority	280
March Joint Powers Authority	21	Mt. View Sanitary District of Contra Costa County	19
Marin Children & Families Commission	8	Mt. San Antonio College Auxiliary Services	50
Marin Community College District	260	Municipal Water District of Orange County	40
Marin County Housing Authority	106	Murphys Sanitary District	6
Marin County In-Home Supportive Services Public Authority	7	Murrieta Fire Protection District	59
Marin County Sanitary District No. 1	23	Murrieta Valley Cemetery District	6
Marin Healthcare District	0	Napa County Mosquito Abatement District	7
Marin Municipal Water District	322	Napa County Resource Conservation District	16
Marina Coast Water District	42	Napa County Transportation & Planning Agency	13
Marinwood Community Services District	29	Napa Sanitation District	52
Mariposa Public Utility District	7	National Orange Show	130
Maxwell Public Utility District	5	Natomas Fire Protection District	0
McCloud Community Services District	13	Nevada Cemetery District	3
McFarland Recreation & Park District	5	Nevada County Consolidated Fire District	53
McKinleyville Community Services District	30	Nevada County Local Agency Formation Commission	3
Meeks Bay Fire Protection District	5	Nevada County Resource Conservation District	4
Meiners Oaks County Water District	5	Nevada Irrigation District	193
Mendocino City Community Services District	4	Nevada-Sierra Regional IHSS Public Authority	14
Mendocino County Russian River Flood Control & Water Conservation Improvement District	1	Newcastle, Rocklin, Gold Hill Cemetery District	6
Mendocino Transit Authority	66	Newhall County Water District	47
Menlo Park Fire Protection District	111	Newport Beach City Employees Federal Credit Union	6
Merced County Housing Authority	81	Niland Fire District	1
Merced County Mosquito Abatement District	16	Niland Sanitary District	0
Merced Irrigation District	243	Nipomo Community Services District	19
Mesa Consolidated Water District	79	North Bay Cooperative Library System	9
Metropolitan Cooperative Library System	20	North Bay Regional Center	232
Metropolitan Transportation Commission	211	North Bay Schools Insurance Authority	31
Metropolitan Water District of Southern California	2,270	North Central Counties Consortium	20
Mid-City Development Corporation	1	North Coast County Water District	26
Mid-Peninsula Water District	27	North Coast Railroad Authority	2
		North Coast Unified Air Quality Management District	16
		North County Dispatch Joint Powers Authority	30

Public Agency Employers (continued)

Districts & Other Public Agencies (continued)

North County Fire Protection District of Monterey County	31	Pauma Valley Community Services District	26
North County Fire Protection District of San Diego County	94	Peardale Chicago Park Fire Protection District	4
North County Transit District	768	Pebble Beach Community Services District	14
North Delta Water Agency	0	Peninsula Fire Protection District	13
North Kern Cemetery District	6	Peninsula Traffic Congestion Relief Alliance	15
North Kern Water Storage District	35	Penn Valley Fire Protection District	24
North Kern-South Tulare Hospital District	220	Personal Assistance Services Council	25
North Los Angeles County Regional Center, Inc.	565	Pico Water District	20
North Marin Water District	75	Pine Cove Water District	4
North of the River Municipal Water District	8	Pine Grove Mosquito Abatement District	1
North of the River Recreation & Park District	270	Pinedale County Water District	10
North State Cooperative Library System	6	Pioneer Cemetery District	3
North Tahoe Fire Protection District	59	Pixley Irrigation District	5
Northern California Power Agency	184	Placer County Cemetery District No. 1	6
Northern California Special Districts Insurance Authority	2	Placer County Resource Conservation District	4
Northern Salinas Valley Mosquito Abatement District	6	Placer County Transportation Commission	8
Northern Sierra Air Quality Management District	6	Placer County Water Agency	191
Northshore Fire Protection District	18	Placer Hills Fire Protection District	21
Northstar Community Services District	44	Placer Mosquito Abatement District	15
Northwest Mosquito & Vector Control District	24	Planning & Service Area II Area Agency on Aging	6
Novato Sanitary District	34	Pleasant Hill - Martinez Joint Facilities Agency	164
Oakdale Irrigation District	94	Pleasant Hill Recreation & Park District	70
Oakdale Rural Fire Protection District	22	Pleasant Valley County Water District	5
Oakland City Housing Authority	406	Pleasant Valley Recreation & Park District	104
Oakland Unified School District	2,994	Plumas Eureka Community Services District	4
Oceano Community Services District	20	Plumas Local Agency Formation Commission	1
Ojai Valley Sanitary District	23	Pomerado Cemetery District	5
Olcese Water District	1	Pomona Valley Transportation Authority	4
Olivenhain Municipal Water District	109	Pomona, California State Polytechnic University, Associated Students, Inc.	68
Omnitrans	987	Port San Luis Harbor District	36
Ophir Hill Fire Protection District	7	Porter Vista Public Utility District	2
Orange County Health Authority (CalOptima)	719	Porterville Irrigation District	4
Orange County Transportation Authority	9	Porterville Public Cemetery District	11
Orange County Vector Control District	66	Public Agency Risk Sharing Authority of California	5
Orange Cove Fire Protection District of Fresno & Tulare Counties	0	Public Cemetery District of Kern County	8
Orchard Dale County Water District	10	Public Entity Risk Management Authority	8
Orland Cemetery District	3	Public Transportation Services Corporation	2,280
Oro Loma Sanitary District	56	Pupil Transportation Cooperative	180
Orosi Public Utility District	5	Purissima Hills County Water District	10
Oroville Cemetery District	7	Quartz Hill Water District	18
Oroville Mosquito Abatement District	1	Quincy Community Services District	15
Otay Water District	252	Rainbow Municipal Water District	72
Oxnard Harbor District	32	Ramona Municipal Water District	75
Pacific Fire Protection District	1	Rancho Adobe Fire Protection District	30
Padre Dam Municipal Water District	164	Rancho California Water District	155
Pajaro Valley Fire Protection Agency	1	Rancho Cucamonga Fire Protection District	119
Pajaro Valley Public Cemetery District	10	Rancho Murieta Community Services District	58
Pajaro Valley Water Management Agency	25	Rancho Santa Fe Fire Protection District	69
Palm Ranch Irrigation District	4	Rancho Santiago Community College Associated Students	0
Palmdale Water District	117	Rancho Simi Recreation & Park District	265
Palo Verde Cemetery District	9	Reclamation District No. 3	2
Palo Verde Valley District Library	5	Reclamation District No. 833	1
Palos Verdes Library District	68	Reclamation District No. 999	4
Paradise Recreation & Park District	28	Reclamation District No. 1000	8
Pasadena City College Bookstore	9	Reclamation District No. 1001	12
Pasadena Unified School District	1,663	Reclamation District No. 1660	0
Paso Robles City Housing Authority	6	Red Bluff Cemetery District	6
Patterson Irrigation District	14		

Public Agency Employers (continued)

Districts & Other Public Agencies (continued)

Redevelopment Agency of City of Fresno	20	San Bernardino Economic Development Agency	39
Redwood Coast Regional Center	142	San Bernardino Valley Municipal Water District	27
Redwood Empire Municipal Insurance Fund	13	San Bernardino Valley Water Conservation District	12
Redwood Empire School Insurance Group	26	San Bernardino, California State University, Foundation	299
Reedley Cemetery District	8	San Bernardino, California State University, Student Union	23
Regional Center of Orange County	552	San Diego Association of Governments	268
Regional Center of the East Bay	514	San Diego County Law Library	59
Regional Council of Rural Counties	67	San Diego County Water Authority	370
Regional Water Authority	4	San Diego Metropolitan Transit Development Board	169
Rescue Fire Protection District	9	San Diego Pooled Insurance Program Authority	1
Resort Improvement District No. 1	16	San Diego Rural Fire Protection District	12
Resource Conservation District of the Santa Monica Mountains	10	San Diego State University, Associated Students	28
Richardson Bay Sanitary District	5	San Diego Trolley, Inc.	737
Rincon Del Diablo Municipal Water District	24	San Diego Unified School District	9,979
Rincon Valley Fire Protection District	28	San Dieguito Water District	14
Rio Alto Water District	8	San Elijo Joint Powers Authority	26
Rio Linda Elverta Community Water District	15	San Francisco Bay Area Rapid Transit District	3,722
Rio Vista Cemetery District	3	San Francisco Bay Area Water Emergency Transportation Authority	8
Riverbank City Housing Authority	1	San Francisco City & County Housing Authority	327
Riverside County Air Pollution Control District	0	San Francisco City & County Redevelopment Agency	172
Riverside County Flood Control & Water Conservation District	264	San Francisco Community College District Bookstore Auxiliary	18
Riverside County Law Library	10	San Francisco County Law Library	12
Riverside County Regional Park & Open Space District	141	San Francisco County Transportation Authority	54
Riverside County Transportation Commission	55	San Francisco Health Authority	212
Riverside County Waste Resources Management District	65	San Francisquito Creek Joint Powers Authority	5
Riverside Transit Agency	534	San Gabriel County Water District	17
Rosamond Community Services District	41	San Gabriel Valley Council of Governments	23
Rose Bowl Operating Company	26	San Gabriel Valley Mosquito & Vector Control District	32
Rosedale-Rio Bravo Water Storage District	6	San Gabriel Valley Municipal Water District	10
Roseville Public Cemetery District	11	San Geronio Pass Water Agency	4
Ross Valley Fire Service	30	San Jacinto Valley Cemetery District	8
Rowland Water District	28	San Joaquin County	0
Rubidoux Community Services District	23	San Joaquin County Housing Authority	120
Running Springs Water District	44	San Joaquin County IHSS Public Authority	9
Russian River Fire Protection District	22	San Joaquin Delta Community College District	615
Sacramento Area Council of Governments	74	San Juan Water District	55
Sacramento City Housing Authority	375	San Lorenzo Valley Water District	33
Sacramento County Public Law Library	28	San Luis Obispo, Cal Poly, Associated Students, Inc.	120
Sacramento Metropolitan Air Quality Management District	15	San Luis Obispo Council of Governments	23
Sacramento Metropolitan Cable Television Commission	15	San Luis Obispo Regional Transit Authority	7
Sacramento Metropolitan Fire District	686	San Luis Water District	19
Sacramento Municipal Utility District	2,627	San Mateo County Harbor District	51
Sacramento Public Library Authority	410	San Mateo County In-Home Supportive Services Public Authority	8
Sacramento Regional Fire/EMS Communications Center	80	San Mateo County Law Library	4
Sacramento Suburban Water District	62	San Mateo County Schools Insurance Group	10
Sacramento Transportation Authority	4	San Mateo County Transit District	986
Sacramento-Yolo Mosquito & Vector Control District	94	San Mateo Local Agency Formation Commission	1
Salida Fire Protection District	11	San Miguel Community Services District	6
Salinas Rural Fire District	35	San Miguel Consolidated Fire Protection District	140
Salinas Valley Solid Waste Authority	32	San Simeon Community Services District	1
Salton Community Services District	27	Sanger Cemetery District	7
Samoa Peninsula Fire Protection District	0	Sanitary District No. 5 of Marin County	12
San Andreas Regional Center, Inc.	352	Santa Ana River Flood Protection Agency	0
San Andreas Sanitary District	6	Santa Ana Unified School District	2,456
San Benito County Water District	39	Santa Ana Watershed Project Authority	25
San Bernardino City Unified School District	2,919	Santa Barbara County Law Library	3
San Bernardino County Housing Authority	165	Santa Barbara County Special Education Local Plan Area	295
San Bernardino County Transportation Authority	0	Santa Barbara Regional Health Authority	218

Public Agency Employers (continued)

Districts & Other Public Agencies (continued)

Santa Clara County Central Fire Protection District	284	South Central Los Angeles Regional Center for Developmentally Disabled Persons	327
Santa Clara County Health Authority	206	South Coast Water District	106
Santa Clara County Law Library	7	South Feather Water & Power Agency	55
Santa Clara County Open Space Authority	14	South Kern Cemetery District	5
Santa Clara County Schools Insurance Group	9	South Orange County Wastewater Authority	80
Santa Clara Valley Transportation Authority	859	South Placer Fire District	64
Santa Clara Valley Water District	887	South Placer Municipal Utility District	24
Santa Clarita Valley School Food Services Agency	154	South San Joaquin Irrigation District	101
Santa Cruz Consolidated Emergency Communications Center	89	South San Luis Obispo County Sanitation District	13
Santa Cruz County Law Library	4	South Tahoe Public Utility District	124
Santa Cruz County Regional Transportation Commission	23	Southeast Area Social Services Funding Authority	76
Santa Cruz Local Agency Formation Commission	1	Southern California Association of Governments	223
Santa Cruz Metropolitan Transit District	397	Southern California Public Power Authority	10
Santa Cruz Port District	25	Southern California Regional Rail Authority	260
Santa Fe Irrigation District	55	Southern San Joaquin Municipal Utility District	13
Santa Margarita Water District	171	Southern Sonoma County Resource Conservation District	6
Santa Maria Public Airport District	17	Southwest Transportation Agency	162
Santa Monica Community College District	690	Special District Risk Management Authority	26
Santa Nella County Water District	6	Squaw Valley Public Service District	31
Santa Paula City Housing Authority	9	Stallion Springs Community Services District	17
Santa Ynez River Water Conservation District, Improvement District No. 1	17	Stanislaus Consolidated Fire Protection District	57
Saratoga Fire Protection District	7	Stanislaus County Housing Authority	120
Sausalito-Marín City Sanitary District	13	State Bar of California	830
School Risk & Insurance Management Group	8	State Water Contractors	9
Schools Excess Liability Fund	13	Steger Sanitary District	13
Schools Insurance Authority	90	Stinson Beach County Water District	13
Scotts Valley Fire Protection District	30	Stockton East Water District	43
Scotts Valley Water District	19	Stockton Unified School District	1,512
Selma Cemetery District	9	Strawberry Recreation District	14
Selma-Kingsburg-Fowler County Sanitation District	32	Suisun Fire Protection District	2
Serrano Water District	5	Suisun Resource Conservation District	14
Sewer Authority Mid-Coastside	20	Suisun-Fairfield-Rockville Cemetery District	10
Sewerage Commission – Oroville Region	10	Summit Cemetery District	11
Shafter Wasco Irrigation District	10	Sunnyslope County Water District	22
Shasta Area Safety Communications Agency	67	Susanville Sanitary District	10
Shasta Community Services District	5	Sutter Cemetery District	16
Shasta Lake Fire Protection District	12	Sweetwater Authority	175
Shasta Local Agency Formation Commission	2	Sweetwater Springs Water District	13
Shasta Mosquito & Vector Control District	15	Sylvan Cemetery District	5
Shasta Valley Cemetery District	3	Tahoe City Public Utility District	64
Shiloh Public Cemetery District	5	Tahoe Resource Conservation District	34
Sierra Lakes County Water District	6	Tahoe Transportation District	0
Sierra-Sacramento Valley Emergency Medical Services Agency	12	Tahoe-Truckee Sanitation Agency	70
Silicon Valley Animal Control Authority	21	Tehachapi-Cummings County Water District	20
Silveyville Cemetery District	5	Tehachapi Valley Recreation & Park District	5
Solano County Mosquito Abatement District	9	Tehama County Mosquito Abatement District	7
Solano County Water Agency	15	Templeton Community Services District	25
Solano Irrigation District	117	Thermalito Water & Sewer District	13
Solano Transportation Authority	22	Three Arch Bay Community Services District	0
Soledad Community Health Care District	0	Three Rivers Community Services District	1
Sonoma County Library	184	Three Valleys Municipal Water District	27
Sonoma Marin Area Rail Transit District	7	Tiburon Fire Protection District	28
Sonoma State Enterprises, Inc.	13	Torrance City Redevelopment Agency	0
Sonoma Student Union Corporation	3	Trabuco Canyon Water District	42
Soquel Creek Water District	47	Tracy Rural County Fire Protection District	2
South Bay Regional Public Communications Authority	96	Transportation Agency for Monterey County	15
South Bayside System Authority	91	Treasure Island Development Authority	0

Public Agency Employers (continued)

Districts & Other Public Agencies (continued)

Tri-City Mental Health Center	254	Water Employee Services Authority	207
Tri-Counties Association for the Developmentally Disabled	428	Water Facilities Authority	9
Tri-County Schools Insurance Group	9	Water Replenishment District of Southern California	50
Tri-Dam Housing & Personnel Agency	21	Weaverville Community Services District	8
Trindel Insurance Fund	2	Weaverville Sanitary District	3
Trinity County Waterworks District No. 1	6	West Almanor Community Services District	2
Trinity Public Utilities District	24	West Basin Municipal Water District	36
Truckee Donner Public Utility District	77	West Bay Sanitary District	31
Truckee Fire Protection District	49	West Cities Communication Center	30
Truckee Sanitary District	42	West Contra Costa Integrated Waste Management Authority	6
Truckee Tahoe Airport District	42	West County Transportation Agency	157
Tulare Mosquito Abatement District	5	West County Wastewater District	64
Tulare Public Cemetery District	10	West End Communications Authority	0
Tuolumne Fire District	5	West Kern Water District	46
Tuolumne Utilities District	88	West Stanislaus Irrigation District	19
Turlock Mosquito Abatement District	14	West Valley Mosquito & Vector Control District	21
Twain Harte Community Services District	17	West Valley Sanitation District of Santa Clara County	33
Twentynine Palms Water District	36	West Valley Water District	65
Twin Cities Police Authority	56	West Valley-Mission Community College District	510
Twin Rivers Unified School District	1,023	Westborough Water District	6
Ukiah Valley Fire District	13	Western Contra Costa Transit Authority	6
Union Public Utility District	8	Western Municipal Water District	152
Union Sanitary District	163	Western Riverside Council of Governments	39
United Water Conservation District	83	Westlands Water District	137
University Enterprise, Inc. Sacramento	0	Westwood Community Services District	7
Upland City Housing Authority	38	Wheeler Ridge-Maricopa Water Storage District	53
Upper San Gabriel Valley Municipal Water District	11	Wildomar Cemetery District	4
Vacaville Fire Protection District	10	Willow County Water District	4
Vacaville-Elmira Cemetery District	9	Willow Creek Community Services District	6
Vallecitos Water District	129	Willows Cemetery District	4
Vallejo Sanitation & Flood Control District	94	Wilton Fire Protection District	2
Valley Center Municipal Water District	82	Windsor Fire Protection District	20
Valley County Water District	32	Winterhaven Water District	5
Valley Mountain Regional Center, Inc.	432	Winters Cemetery District	5
Valley Sanitary District	26	Winters Fire Protection District	9
Valley Springs Public Utility District	4	Winton Water & Sanitary District	11
Valley of the Moon Water District	21	Woodbridge Rural County Fire Protection District	44
Valley-Wide Recreation & Park District	128	Woodlake Fire District	4
Vandenberg Village Community Services District	11	Woodside Fire Protection District	51
Ventura College Foundation	8	Yolo County Communications Emergency Services Agency	63
Ventura County Law Library	6	Yolo County Federal Credit Union	108
Ventura County Schools Business Services Authority	13	Yolo County Housing Authority	54
Ventura County Schools Self-Funding Authority	7	Yolo County In-Home Supportive Services Public Authority	4
Ventura County Transportation Commission	25	Yolo County Public Agency Risk Management Insurance Authority	7
Ventura Port District	48	Yolo County Transportation District	14
Ventura River County Water District	9	Yolo-Solano Air Quality Management District	34
Veterans Home of California Post Fund	24	Yorba Linda Water District	86
Victor Valley Wastewater Reclamation Authority	56	Yuba Community College District	285
Victor Valley Water District	24	Yuba County Water Agency	36
Visalia Public Cemetery District	9	Yuba Sutter Transit Authority	3
Vista Irrigation District	120	Yucaipa Valley Water District	87
Walnut Valley Water District	69	Yuima Municipal Water District	13
Wasco Recreation & Park District	9		
Washington Colony Cemetery District	3		

Judges' Retirement System Program Data

PRIMARY BENEFITS

The Judges' Retirement System (JRS) was established in 1937. The operational activities of the JRS were transferred from the State Controller's Office to CalPERS in 1979. Benefits payable through the JRS are financed by the General Fund, the payroll contributions of members, and the State's contribution as an employer. Both employer and members contribute at the rate of 8 percent of compensation.

MEMBERSHIP

The Judges' Retirement System provides retirement, death, health, and dental benefits for Supreme and Appellate Court Justices, Superior Court Judges, and beneficiaries.

SERVICE RETIREMENT

Retirement Age

Members must be at least age 60 with 20 years of service, or age 70 with at least 10 years of service.

Retirement Benefit Formula

The retirement allowance is a percentage of the current salary of the last judicial office held and is increased proportionally with active judicial salaries. The allowance is based on a member's age and years of service as follows:

Age	Years of Service	Retirement Allowance
60–70	20	75%
66	18	65%
67	16	65%
68	14	65%
69	12	65%
70	10	65%

Judges can work as long as they want and receive their full pension of either 65 percent or 75 percent (depending on credited service). In addition, a surviving spouse benefit of at least one-half of the judge's allowance is provided.

Deferred Retirement

Judges are eligible for deferred retirement at any age if they have at least five years of service. However, judges are not paid the allowance until they reach the age they would be eligible for normal retirement if they had remained in office. A judge must be at least age 63, or age 60 with

20 years of service, to receive a retirement allowance. The allowance is based on years of service multiplied by a percentage of the judge's final salary — varying from 2 percent for five years to 3.75 percent for 12 or more years of service. The maximum benefit they can receive is 75 percent of salary.

DISABILITY RETIREMENT (NON-WORK RELATED)

Judges must apply to the Commission on Judicial Performance to receive a disability retirement. There is no age requirement.

The service requirement is four years. The retirement allowance is 65 percent of the judge's final salary, or 75 percent of their final salary if the judge has 20 or more years of service.

DISABILITY RETIREMENT (WORK RELATED)

Judges receive the same amount as those for a non-work related disability. Any person becoming a judge between January 1, 1980 and December 31, 1988, must have at least two years of judicial service; or after January 1, 1989, must have four years of judicial service, unless the disability is a result of injury or disease arising out of and in the course of judicial service.

DEATH BENEFITS (BEFORE RETIREMENT)

Not Eligible to Retire

Spouses or registered domestic partners can receive 25 percent of a current active judge's salary for life or return of contributions plus one month's salary, for each year of service not to exceed six months; or the surviving spouse or registered domestic partner can elect a monthly allowance for life, if the judge had paid an extra \$2 per month and had 10 to 20 years of service. This allowance would be equal to 1.625 percent of the salary multiplied by the number of years of service.

Eligible to Retire

Spouses or registered domestic partners receive one-half of what the retirement allowance would have been if the judge had retired on date of death.

Judges' Retirement System Program Data (continued)

DEATH BENEFITS (AFTER RETIREMENT)

Spouses or registered domestic partners receive one-half of the retirement pension for life, if the member retired with the standard retirement benefit formula, or on disability. Judges may elect to take a reduced retirement allowance in order to enhance the survivor benefits to their spouse, registered domestic partner, or a designated beneficiary.

COST-OF-LIVING ADJUSTMENTS (COLA)

The allowance increases are based on the current salary of an active judge. Retirees receive the same increase as active judges.

JRS ACTIVE MEMBERS & FORMER JUDGES ON DEFERRED RETIREMENT

Active	559
Deferred Retirement	61
TOTAL ACTIVE & DEFERRED MEMBERS	620

JRS BENEFIT RECIPIENTS BY RETIREMENT TYPE

Category	Retired Judges	Survivors & Beneficiaries	TOTAL
Service Retirement	323	318	641
Disability Retirement	48	—	48
Deferred Retirement	426	169	595
Optional Settlement	389	44	433
Pre-Retirement Survivor	—	72	72
TOTAL	1,186	603	1,789

JRS BENEFIT PAYMENTS BY TYPE

Category	Amount Paid
Service Retirement	\$134,840,554
Disability Retirement	5,684,102
Beneficiary Death Benefits/Life Allowance	34,373,575
Prior Year Adjustments	3,986
TOTAL	\$174,902,217

JRS Average Benefit Payments – As of June 30, 2008 | Six-Year Review¹

RETIREMENT EFFECTIVE DATES	Years of Credited Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
2007/08							
Average Monthly Allowance ²	\$3,410	\$5,643	\$6,108	\$8,432	\$8,297	\$9,838	\$12,787
Average Final Compensation	\$14,899	\$14,899	\$15,186	\$14,899	\$15,069	\$14,899	\$17,050
Number of Recipients ²	3	6	15	38	47	15	1
2006/07							
Average Monthly Allowance ²	\$1,555	\$4,411	\$5,800	\$7,855	\$8,512	\$9,348	\$10,661
Average Final Compensation	\$14,304	\$13,984	\$13,884	\$13,854	\$14,134	\$13,824	\$14,304
Number of Recipients ²	2	7	16	31	33	7	2
2005/06							
Average Monthly Allowance ²	\$2,934	\$2,592	\$6,031	\$6,550	\$7,451	\$7,942	\$8,282
Average Final Compensation	\$13,327	\$12,485	\$12,724	\$12,510	\$12,723	\$12,727	\$12,558
Number of Recipients ²	2	7	14	16	51	10	1
2004/05							
Average Monthly Allowance ²	\$2,205	\$3,179	\$5,226	\$6,116	\$7,720	\$7,454	\$7,328
Average Final Compensation	\$11,987	\$12,208	\$12,405	\$12,370	\$12,484	\$12,531	\$13,327
Number of Recipients ²	3	8	17	23	59	9	2

Notes:

¹ CalPERS began reporting Average Benefit Payments in the June 30, 2006 Comprehensive Annual Financial Report. Additional information is added each year as it becomes available to provide a six-year review.

² These averages and totals are for retired members, beneficiaries, and community property recipients.

Judges' Retirement System II Program Data

PRIMARY BENEFITS

The Judges' Retirement System II (JRS II) was established in 1994 to create a fully funded, actuarially sound retirement system for judges appointed or elected on or after November 9, 1994. This system provides a unique combination of two basic types of retirement benefits: a defined benefit plan and a monetary credit plan. The defined benefit plan provides a lifetime monthly retirement allowance of up to 75 percent of final compensation. The monetary credit plan allows for a refund of member contributions, a portion of the employer contributions, and interest. Members contribute at the rate of 8 percent of compensation.

MEMBERSHIP

The JRS II provides retirement, death, health, and dental benefits for Supreme and Appellate Court Justices, and Superior Court Judges, first appointed or elected after November 9, 1994, and their beneficiaries.

SERVICE RETIREMENT

Retirement Age

Judges must be at least age 65 with 20 years of service or age 70 with a minimum of five years of service to receive the defined benefit plan. Judges must have at least five years of service to receive the monetary credit plan.

RETIREMENT FORMULA

Defined Benefit Plan

This option provides a defined benefit of 3.75 percent of the highest 12-month average salary per year of service, up to 75 percent for judges reaching age 65 with at least 20 years of service. Optional settlements are available which reduce a judge's retirement allowance to provide a lifetime benefit for a surviving spouse upon death of the judge.

Monetary Credit Plan

This option provides a cash payment in a single lump sum, or the member may elect to receive an annuity at retirement based on the accumulated contributions of the employee and the employer. To receive the annuity a judge must meet the minimum qualifications required under the defined benefit plan. Lifetime benefits are not provided under this plan.

DISABILITY RETIREMENT (NON-WORK RELATED)

Judges who have five years of service and become permanently disabled because of a mental or physical disability may apply to the Commission on Judicial Performance for disability retirement.

An allowance is based on the judge's age and will be the amount equal to the lower of the following:

- the monthly benefit of 3.75 percent of the final compensation multiplied by the number of years of service the judge would have been credited had the judge continued to work until the age the judge would have first been eligible to retire, or
- 65 percent of the judge's average monthly salary during the 12 months preceding the retirement date.

DISABILITY RETIREMENT (WORK RELATED)

Judges receive 65 percent of their average monthly salary during the 12 months preceding their retirement date, regardless of age or length of service.

DEATH BENEFITS (BEFORE RETIREMENT)

Eligible for the Defined Benefit Plan

Spouses or registered domestic partners receive either the monthly retirement allowance equal to one-half of the judge's defined benefit plan allowance or the judge's monetary credits. At any time while in office, a judge may make an irrevocable election for their eligible surviving spouse or registered domestic partner to receive the maximum survivor benefit (Option 2) in the event of the judge's pre-retirement death.

Eligible for the Monetary Credit Plan

Spouses or registered domestic partners receive the judge's monetary credits or three times the annual salary at the time of death, whichever is greater.

DEATH BENEFITS (AFTER RETIREMENT)

Defined Benefit Plan

Judges retiring on the defined benefit plan are offered the choice of one of four optional settlement benefits to increase the survivor benefits to their eligible surviving spouse or registered domestic partner.

Judges' Retirement System II Program Data (continued)

Monetary Credit Plan

If the judge elected to receive the monetary credit plan in a lump sum, there are no survivor benefits. If the judge elected monetary credit plan in an annuity, the spouse or registered domestic partner receives a lump sum payment of the remaining funds at the time of the judge's death.

COST-OF-LIVING ADJUSTMENTS (COLA)

The retirement allowance of retired judges who have elected the defined benefit plan will be adjusted every January after the judge has been retired six months. The adjustment is based on the United States city average of the Consumer Price Index For All Urban Consumers, as published by the United States Bureau of Statistics. This adjustment will not be less than 1 percent or more than 3 percent.

JRS II ACTIVE JUDGES

Active Members	1,119
TOTAL	1,119

JRS II BENEFIT RECIPIENTS BY RETIREMENT TYPE

Category	Retired Judges	Survivors & Beneficiaries	TOTAL
Service Retirement	2	2	4
Disability Retirement	6	—	6
Optional Settlement	4	—	4
Pre-Retirement Survivor	—	1	1
TOTAL	12	3	15

JRS II BENEFIT PAYMENTS BY TYPE

Category	Amount Paid
Service Retirement	\$354,028
Disability Retirement	576,020
Beneficiary Death Benefits	95,669
Beneficiary Death Benefits/Life Allowance	226,209
TOTAL	\$1,251,926

JRS II Average Benefit Payments – As of June 30, 2008 | Six-Year Review¹

RETIREMENT EFFECTIVE DATES	Years of Credited Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
2007/08							
Average Monthly Allowance ²	\$—	\$8,624	\$7,748	\$—	\$—	\$—	\$—
Average Final Compensation	\$—	\$14,638	\$15,244	\$—	\$—	\$—	\$—
Number of Recipients ²	—	1	4	—	—	—	—
2006/07							
Average Monthly Allowance ²	\$—	\$—	\$—	\$—	\$—	\$—	\$—
Average Final Compensation	\$—	\$—	\$—	\$—	\$—	\$—	\$—
Number of Recipients ²	—	—	—	—	—	—	—
2005/06							
Average Monthly Allowance ²	\$—	\$10,982	\$4,275	\$—	\$—	\$—	\$—
Average Final Compensation	\$—	\$12,434	\$12,459	\$—	\$—	\$—	\$—
Number of Recipients ²	—	3	3	—	—	—	—
2004/05							
Average Monthly Allowance ²	\$11,987	\$7,080	\$—	\$—	\$—	\$—	\$—
Average Final Compensation	\$11,987	\$11,987	\$—	\$—	\$—	\$—	\$—
Number of Recipients ²	1	2	—	—	—	—	—

Notes:

¹ CalPERS began reporting Average Benefit Payments in the June 30, 2006 Comprehensive Annual Financial Report. Additional information is added each year as it becomes available to provide a six-year review.

² These averages and totals are for retired members, beneficiaries, and community property recipients.

Legislators' Retirement System Program Data

PRIMARY BENEFITS

CalPERS has administered the Legislators' Retirement System (LRS) since its inception in 1947. The duties of the Board with respect to administering the LRS are the same as for CalPERS on such items as determining membership and benefit rights, making investments, crediting interest, and obtaining information necessary for administration. Benefits payable by the LRS are financed through member contributions, the State's contribution as an employer, and interest earned on investments. The employer statutory contribution rate was eliminated in January 2000, and the CalPERS Board is now authorized to establish actuarially determined rates.

When the actuarial value of the assets exceeds the present value of benefits, resulting in a 0 percent employer contribution rate, the Board may reduce the member contribution rates for the same fiscal year in which the State rate is 0 percent. For fiscal year 2007-08, the Board has determined that both the employer rate and the member rate will be 0 percent. Interest credited to the member's accounts is the net earnings rate of investments.

PROPOSITION 140

Proposition 140, the Political Reform Act of 1990, requires that Legislators (Senators and Members of the Assembly) first elected after November 7, 1990 participate in the federal Social Security program and in no other retirement system.

MEMBERSHIP

Members of the Legislature serving prior to November 7, 1990, elected Constitutional Officers, and Legislative Statutory Officers are eligible for benefits.

SERVICE RETIREMENT

Retirement Age

The retirement age is 60, with four or more years of service credit, or any age with 20 or more years. The retirement age for Legislative Statutory Officers is 55, or any age with 20 years or more of service credit.

Members of the Legislature Benefit Formula

The retirement formula consists of three separate formulas that are totaled together to provide the members with their

allowance. The first part of the formula consists of 5 percent of the first \$500 of salary up to 15 years of service. The second part is 3 percent per year of the same \$500 of salary for years in excess of 15 years. And finally, total years of service is multiplied by 3 percent per year of their salary above \$500. In no case may a member receive more than two-thirds of their salary.

Constitutional Officers' Benefit Formula

Five percent per year of service up to eight years (40 percent) of their highest salary. If the member has 24 or more years of service, the retirement allowance is 60 percent of their final salary.

Statutory Officers' Benefit Formula

Statutory Officers receive 3 percent per year of service, not to exceed 66 percent of final monthly compensation.

Early Retirement Options for Members of the Legislature & Constitutional Officers

Legislators and Constitutional Officers may retire before age 60 with 15 years of service. However, their retirement allowance is reduced by 2 percent for each year they retire before age 60.

DISABILITY RETIREMENT

Disability retirement uses the same formula as service retirement. There is no reduction if retirement is before age 60 for members of the Legislature.

DEATH BENEFITS (BEFORE RETIREMENT)

Not Eligible to Retire

One month's salary for each year of service, plus the return of the member's contributions with interest payable to a survivor.

Eligible to Retire

If the member has elected one of the optional settlements, their beneficiary will receive the benefit provided by the option selected, calculated as if the date of death had been the date of retirement. In lieu of this benefit, the beneficiary may elect an allowance of one-half the unmodified retirement allowance, payable until death or remarriage.

Legislators' Retirement System Program Data (continued)

DEATH BENEFITS WHILE IN OFFICE

Beneficiaries receive a lump sum benefit in an amount equal to the annual compensation of an LRS member during the 12 months preceding the member's death, regardless of whether the member was eligible to retire.

DEATH BENEFITS (AFTER RETIREMENT)

Members choose between one of four options. The level of survivor benefit is based on the option chosen, without a reduction in allowance for members of the Legislature. Constitutional Officers and Statutory Officers receive a reduced allowance based on their age at time of retirement and the option they choose. Beneficiaries also receive a \$600 lump sum payment.

COST-OF-LIVING ADJUSTMENTS (COLA)

The annual COLA is determined by the Consumer Price Index.

LRS ACTIVE & INACTIVE MEMBERS

Category	Active	Inactive	TOTAL
Members of the Legislature	2	15	17
Constitutional Officers	8	10	18
Legislative Statutory Officers	4	—	4
TOTAL	14	25	39

LRS BENEFIT RECIPIENTS BY RETIREMENT TYPE

Category	Retired Judges	Survivors & Beneficiaries	TOTAL
Members of Legislature			
Service Retirement	115	106	221
Disability Retirement	1	8	9
Pre-Retirement Option 2	—	—	—
TOTAL MEMBERS OF LEGISLATURE	116	114	230
Constitutional Officers			
Service Retirement	17	4	21
Disability Retirement	1	—	1
Pre-Retirement Option 2	—	2	2
TOTAL CONSTITUTIONAL OFFICERS	18	6	24
Legislative Statutory Officers			
Service Retirement	3	2	5
Disability Retirement	—	—	—
Pre-Retirement Option 2	—	—	—
TOTAL LEGISLATIVE STATUTORY OFFICERS	3	2	5
TOTAL	137	122	259

LRS BENEFIT PAYMENTS BY TYPE

Category	Amount Paid
Service Retirement	\$7,370,456
Disability Retirement	170,797
Beneficiary Death Benefits	600
Beneficiary Death Benefits/Allowance	158,812
Prior Year Adjustments	5,199
TOTAL	\$7,705,864

Legislators' Retirement System Program Data (continued)

LRS Average Benefit Payments – As of June 30, 2008 | Six-Year Review¹

RETIREMENT EFFECTIVE DATES	Years of Credited Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
2007/08							
Average Monthly Allowance ²	\$—	\$2,212	\$1,250	\$—	\$1,710	\$—	\$—
Average Final Compensation ³	\$—	\$7,858	\$—	\$—	\$—	\$—	\$—
Number of Recipients ²	—	2	3	—	2	—	—
2006/07							
Average Monthly Allowance ²	\$—	\$2,134	\$310	\$5,717	\$4,921	\$—	\$—
Average Final Compensation ³	\$—	\$8,434	\$—	\$8,250	\$9,240	\$—	\$—
Number of Recipients ²	—	6	9	1	2	—	—
2005/06							
Average Monthly Allowance ²	\$704	\$441	\$2,011	\$1,042	\$4,404	\$—	\$—
Average Final Compensation ³	\$— ³	\$—	\$4,375	\$—	\$—	\$—	\$—
Number of Recipients ²	2	4	2	1	3	—	—
2004/05							
Average Monthly Allowance ²	\$565	\$1,053	\$935	\$1,067	\$5,358	\$—	\$—
Average Final Compensation ³	\$4,375	\$4,375	\$—	\$—	\$8,714	\$—	\$—
Number of Recipients ²	1	1	1	5	5	—	—

Notes:

- ¹ CalPERS began reporting Average Benefit Payments in the June 30, 2006 Comprehensive Annual Financial Report. Additional information is added each year as it becomes available to provide a six-year review.
- ² These averages and totals are for retired members, beneficiaries, and community property recipients.
- ³ Average Final Compensation information does not include salary averages for beneficiaries.

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Expenses & Revenues – Enterprise Funds

Contingency Reserve Fund | 10-Year Review (Dollars in Thousands)

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
OPERATING REVENUES										
Health Premiums Collected	\$ —	\$ —	\$ — ¹	\$1,633,317	\$1,520,622	\$1,410,584	\$855,736	\$2,510	\$1,483	\$825
Administrative Fees & Other	25,633	14,928	16,509	13,140	16,808	16,218	7,252	12,833	11,140	12,253
Total Operating Revenues	\$25,633	\$14,928	\$16,509	\$1,646,457	\$1,537,430	\$1,426,802	\$862,988	\$15,343	\$12,623	\$13,078
OPERATING EXPENSES										
Health Premiums Remitted to Insurance Carriers	\$ —	\$ —	\$ — ¹	\$1,633,317	\$1,520,622	\$1,410,584	\$855,736	\$2,510	\$1,483	\$825
Administrative Expenses	27,288	24,358	20,854	16,356	17,109	15,384	17,033	12,689	9,169	8,520
Total Operating Expenses	\$27,288	\$24,358	\$20,854	\$1,649,673	\$1,537,731	\$1,425,968	\$872,769	\$15,199	\$10,652	\$9,345
OPERATING INCOME (LOSS)	(\$1,655)	(\$9,430)	(\$4,345)	(\$3,216)	(\$301)	\$834	(\$9,781)	\$144	\$1,971	\$3,733
NON-OPERATING REVENUES										
Investment Income	\$3,706	\$8,037	\$9,279	\$5,049	\$2,817	\$1,787	\$1,112	\$417	\$674	\$524
Total Non-Operating Revenues	\$3,706	\$8,037	\$9,279	\$5,049	\$2,817	\$1,787	\$1,112	\$417	\$674	\$524
CHANGE IN UNRESTRICTED NET ASSETS	\$2,051	(\$1,393)	\$4,934	\$1,833	\$2,516	\$2,621	(\$8,669)	\$561	\$2,645	\$4,257
TOTAL UNRESTRICTED NET ASSETS										
Beginning of Year	\$13,220	\$14,613	\$9,679	\$7,846	\$5,330	\$2,709	\$11,378	\$10,817	\$8,172	\$3,915
End of Year	\$15,271	\$13,220	\$14,613	\$9,679	\$7,846	\$5,330	\$2,709	\$11,378	\$10,817	\$8,172

Note:

¹ PEMHCA health premiums collected from public agencies is shown as agency fund activity in accordance with GASB 43.

Health Care Fund | 10-Year Review (Dollars in Thousands)

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
OPERATING REVENUES										
Self-Insurance Premiums	\$1,586,942	\$1,509,064	\$1,390,819	\$1,211,210	\$1,105,131	\$1,042,720	\$941,185	\$740,073	\$569,751	\$461,207
Health Premiums Collected	—	—	—	—	—	—	—	739,327	653,858	542,960
Other	—	—	—	—	—	—	—	—	164	135
Total Operating Revenues	\$1,586,942	\$1,509,064	\$1,390,819	\$1,211,210	\$1,105,131	\$1,042,720	\$941,185	\$1,479,400	\$1,223,773	\$1,004,302
OPERATING EXPENSES										
Actual & Estimated Claims	\$1,461,601	\$1,314,531	\$1,212,706	\$1,131,419	\$1,026,058	\$886,460	\$798,628	\$639,803	\$560,763	\$507,948
Administrative Expenses	85,511	79,146	74,771	67,679	65,902	58,182	50,296	43,572	41,180	35,780
Health Premiums Remitted to Insurance Carriers	—	—	—	—	—	—	—	739,327	653,858	542,960
Total Operating Expenses	\$1,547,112	\$1,393,677	\$1,287,477	\$1,199,098	\$1,091,960	\$944,642	\$848,924	\$1,422,702	\$1,255,801	\$1,086,688
OPERATING INCOME (LOSS)	\$39,830	\$115,387	\$103,342	\$12,112	\$13,171	\$98,078	\$92,261	\$56,698	(\$32,028)	(\$82,386)
NON-OPERATING REVENUES										
Investment Income	\$21,796	\$34,579	\$20,069	\$18,029	\$10,041	\$5,321	\$6,307	\$7,418	\$11,100	\$10,891
Total Non-Operating Revenues	\$21,796	\$34,579	\$20,069	\$18,029	\$10,041	\$5,321	\$6,307	\$7,418	\$11,100	\$10,891
CHANGE IN UNRESTRICTED NET ASSETS	\$61,626	\$149,966	\$123,411	\$30,141	\$23,212	\$103,399	\$98,568	\$64,116	(\$20,928)	(\$71,495)
TOTAL UNRESTRICTED NET ASSETS										
Beginning of Year	\$598,546	\$448,580	\$325,169	\$295,028	\$271,816	\$168,417	\$69,849	\$5,733	\$26,661	\$98,156
End of Year	\$660,172	\$598,546	\$448,580	\$325,169	\$295,028	\$271,816	\$168,417	\$69,849	\$5,733	\$26,661

Expenses & Revenues – Enterprise Funds (continued)

Deferred Compensation Fund | 10-Year Review (Dollars in Thousands)

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
OPERATING REVENUES										
Administrative Fees	\$ —	\$ —	\$287	\$1,115	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Investment Management Fees	—	3,259	308	628	460	—	—	—	—	—
Other	—	—	—	(1)	1,262	918	1,232	985	1,396	1,312
Total Operating Revenues	\$ —	\$3,259	\$595	\$1,742	\$1,722	\$918	\$1,232	\$985	\$1,396	\$1,312
OPERATING EXPENSES										
Administrative Expenses	\$187	\$ —	\$1,486	\$1,338	\$1,215	\$864	\$1,016	\$1,148	\$2,141	\$1,594
Total Operating Expenses	\$187	\$ —	1,486	1,338	1,215	\$864	\$1,016	\$1,148	\$2,141	\$1,594
OPERATING INCOME (LOSS)	(\$187)	\$3,259	(\$891)	\$404	\$507	\$54	\$216	(\$163)	(\$745)	(\$282)
NON-OPERATING REVENUES										
Investment Income	\$77	\$235	\$180	\$139	\$51	\$15	\$22	\$46	\$76	\$91
Total Non-Operating Revenues	\$77	\$235	\$180	\$139	\$51	\$15	\$22	\$46	\$76	\$91
CHANGE IN UNRESTRICTED NET ASSETS	(\$110)	\$3,494	(\$711)	\$543	\$558	\$69	\$238	(\$117)	(\$669)	(\$191)
TOTAL UNRESTRICTED NET ASSETS										
Beginning of Year	\$4,259	\$765	\$1,476	\$933	\$375	\$306	\$68	\$185	\$854	\$1,045
End of Year	\$4,149	\$4,259	\$765	\$1,476	\$933	\$375	\$306	\$68	\$185	\$854

Long-Term Care Fund | 10-Year Review (Dollars in Thousands)

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
OPERATING REVENUES										
Self-Insurance Premiums	\$296,529	\$299,489	\$241,495	\$243,690	\$241,663	\$225,128	\$200,936	\$186,595	\$168,625	\$152,423
Total Operating Revenues	\$296,529	\$299,489	\$241,495	\$243,690	\$241,663	\$225,128	\$200,936	\$186,595	\$168,625	\$152,423
OPERATING EXPENSES										
Claims	\$116,191	\$101,349	\$87,324	\$78,007	\$65,369	\$53,022	\$41,106	\$31,494	\$18,090	\$10,682
Increase (Decrease) in Estimated Liabilities	469,800	(600,900)	487,800	219,400	840,700	585,000	(85,000)	222,559	232,532	215,962
Administrative Expenses	18,421	18,479	18,198	17,053	16,285	15,305	15,416	14,625	15,462	11,893
Total Operating Expenses	\$604,412	(\$481,072)	\$593,322	\$314,460	\$922,354	\$653,327	(\$28,478)	\$268,678	\$266,084	\$238,537
OPERATING INCOME (LOSS)	(\$307,883)	\$780,561	(\$351,827)	(\$70,770)	(\$680,691)	(\$428,199)	\$229,414	(\$82,083)	(\$97,459)	(\$86,114)
NON-OPERATING REVENUES										
Investment Income	(\$369,021)	(\$73,039)	\$281,068	\$121,703	\$124,474	\$141,686	\$52,748	(\$61,080)	(\$37,802)	\$34,364
Total Non-Operating Revenues	(\$369,021)	(\$73,039)	\$281,068	\$121,703	\$124,474	\$141,686	\$52,748	(\$61,080)	(\$37,802)	\$34,364
CHANGE IN UNRESTRICTED NET ASSETS	(\$676,904)	\$707,522	(\$70,759)	\$50,933	(\$556,217)	(\$286,513)	\$282,162	(\$143,163)	(\$135,261)	(\$51,750)
TOTAL UNRESTRICTED NET ASSETS										
Beginning of Year	(\$134,735)	(\$842,257)	(\$771,498)	(\$822,431)	(\$266,214)	\$20,299	(\$261,863)	(\$118,700)	\$16,561	\$68,311
End of Year	(\$811,639)	(\$134,735)	(\$842,257)	(\$771,498)	(\$822,431)	(\$266,214)	\$20,299	(\$261,863)	(\$118,700)	\$16,561

Health Benefits Program Data

Total Enrollments by Health Plan

	Basic			Medicare			Total Enrollments
	Active	Retired	TOTAL	Active	Retired	TOTAL	
Blue Shield Access+	240,096	30,165	270,261	8	23,195	23,203	293,464
Blue Shield NetValue	97,985	10,520	108,505	1	1,795	1,796	110,301
CAHP	21,554	4,935	26,489	0	3,373	3,373	29,862
CCPOA	33,719	2,471	36,190	0	317	317	36,507
Kaiser	358,334	53,501	411,835	5	56,508	56,513	468,348
Kaiser/Out of State	25	961	986	0	1,315	1,315	2,301
PERS Choice	165,847	46,634	212,481	7	36,930	36,937	249,418
PERS Select	6,857	649	7,506	0	157	157	7,663
PERSCare	12,103	6,639	18,742	8	49,039	49,047	67,789
PORAC	15,734	3,947	19,681	0	1,015	1,015	20,696
TOTAL	952,254	160,422	1,112,676	29	173,644	173,673	1,286,349

Five-Year Enrollments

	2009	2008	2007	2006	2005
Total Covered Lives – Employees, Annuitants, & Dependents	1,286,349	1,267,122	1,240,976	1,205,945	1,190,212
Total Prime Lives – Employees & Annuitants	607,570	594,472	578,172	557,084	544,913

Basic & Supplemental Health Plan Total Enrollments

	Basic			Medicare			Total Enrollments
	Active	Retired	TOTAL	Active	Retired	TOTAL	
HMO	696,440	95,147	791,587	14	82,813	82,827	874,414
Self-Funded PPO	184,807	53,922	238,729	15	86,126	86,141	324,870
Association	71,007	11,353	82,360	0	4,705	4,705	87,065
TOTAL	952,254	160,422	1,112,676	29	173,644	173,673	1,286,349

Participating Public Agency Summary

	2009	2008
Counties	29	29
Cities	302	302
Districts & Other Public Agencies	709	700
School Districts	120	116
TOTAL	1,160	1,147
TOTAL COVERED LIVES	516,485	502,771

Health Benefits Program Data (continued)

PARTICIPATING PUBLIC AGENCIES BY TYPE

The total number of covered lives for each agency follows its name.

Counties (29 total)

Amador	245	Nevada	2,645
Butte	4,162	Placer	7,144
Colusa	735	Plumas	241
Contra Costa	2,682	Riverside	2,513
Glenn	1,123	San Benito	837
Humboldt	3,828	San Luis Obispo	5,018
Inyo	1,067	Santa Cruz	6,418
Lake	1,919	Shasta	4,890
Lassen	792	Siskiyou	1,742
Madera	3,172	Solano	5,487
Mariposa	1,110	Trinity	1,044
Modoc	677	Tuolumne	1,235
Mono	871	Yolo	3,608
Monterey	9,807	Yuba	1,891
Napa	3,125	Total Covered Lives	80,028

Cities (302 total)

Agoura Hills	102	Buena Park	978
Alameda	1,730	Burbank	2,769
Albany	198	Burlingame	1,025
Alhambra	929	Calabasas	219
Aliso Viejo	26	California City	121
American Canyon	162	Calimesa	2
Angels	94	Calistoga	119
Antioch	848	Camarillo	320
Arcadia	792	Campbell	337
Arroyo Grande	277	Canyon Lake	9
Artesia	130	Capitola	128
Atherton	136	Carlsbad	1,632
Atwater	234	Carmel-by-the-Sea	200
Auburn	166	Carpinteria	92
Avalon	166	Carson	1,118
Avenal	4	Cathedral City	573
Azusa	569	Cerritos	824
Baldwin Park	522	Chino	579
Barstow	486	Chino Hills	79
Bell	320	Citrus Heights	332
Bellflower	251	Clayton	55
Belmont	332	Coachella City	143
Belvedere	53	Colma	121
Beverly Hills	2,362	Colton	145
Biggs	23	Colusa	89
Bishop	183	Commerce	633
Blythe	275	Compton	1,870
Brawley	266	Concord	1,427
Brea	990	Corona	2,032
Brentwood	594	Coronado	496
Brisbane	211	Corte Madera	185
Buellton	34	Costa Mesa	1,676

Covina	411	La Habra	654
Crescent City	149	La Habra Heights	30
Cudahy	72	La Mesa	684
Culver City	2,256	La Mirada	271
Cupertino	545	La Palma	177
Cypress	407	La Puente	147
Daly City	1,363	La Quinta	230
Dana Point	107	Laguna Niguel	124
Davis	969	Laguna Woods	13
Del Rey Oaks	21	Lake Elsinore	239
Diamond Bar	96	Lake Forest	141
Dixon	153	Lakewood	302
Duarte	143	Larkspur	198
Dublin	256	Lathrop	183
El Cajon	809	Lawndale	117
El Monte	899	Lemon Grove	183
El Segundo	1,127	Lemoore	164
Elk Grove	388	Lincoln	437
Emeryville	268	Live Oak	40
Encinitas	503	Lodi	1,118
Escalon	79	Loma Linda	160
Etna	13	Lomita	130
Fairfax	64	Lompoc	920
Farmersville	77	Loomis	28
Firebaugh	94	Los Alamitos	158
Fort Jones	9	Los Altos	305
Fountain Valley	771	Los Altos Hills	55
Fremont	2,051	Los Banos	426
Fullerton	275	Los Gatos	394
Garden Grove	1,708	Lynwood	535
Gilroy	556	Malibu	155
Glendora	428	Mammoth Lakes	192
Goleta	75	Manhattan Beach	650
Grand Terrace	60	Manteca	901
Grass Valley	271	Marina	190
Gridley	124	Martinez	153
Guadalupe	77	Maywood	192
Half Moon Bay	79	McFarland	26
Hanford	409	Menlo Park	652
Hawaiian Gardens	194	Millbrae	305
Hawthorne	967	Milpitas	1,186
Hayward	2,554	Mission Viejo	275
Hercules	232	Modesto	330
Hesperia	224	Montague	11
Hidden Hills	6	Monte Sereno	11
Highland	62	Montebello	1,088
Hillsborough	413	Monterey	1,025
Hollister	145	Moorpark	145
Huntington Beach	799	Moreno Valley	686
Huntington Park	697	Morgan Hill	356
Imperial Beach	121	Morro Bay	266
Indian Wells	128	Mt. Shasta	49
Indio	707	Murrieta	618
Ione	28	Napa	202
Irwindale	300	Newark	334
Jackson	96	Newport Beach	1,346
La Canada Flintridge	58	Norco	302

Health Benefits Program Data (continued)

Cities (continued)

Norwalk . . . . .	.878	Rancho Mirage . . . . .	.209	San Pablo . . . . .	.349	Thousand Oaks	1,150
Novato . . . . .	.409	Rancho Santa Margarita . . . . .	.43	San Rafael	1,408	Tiburon . . . . .	.96
Oakdale . . . . .	.155	Red Bluff . . . . .	.160	Sand City . . . . .	.13	Torrance	3,512
Oakland	14,058	Redlands	1,250	Santa Ana	2,601	Tustin . . . . .	.701
Oceanside . . . . .	.273	Redwood City	1,700	Santa Clara	2,215	Twentynine Palms . . . . .	.55
Ojai . . . . .	.98	Reedley . . . . .	.285	Santa Clarita . . . . .	.611	Ukiah . . . . .	.85
Ontario	1,005	Rialto . . . . .	.952	Santa Cruz	1,859	Union City . . . . .	.641
Orange	1,585	Richmond	2,720	Santa Fe Springs . . . . .	.822	Upland . . . . .	.667
Orinda . . . . .	.81	Ridgecrest . . . . .	.168	Santa Maria . . . . .	.841	Vacaville	1,625
Orland . . . . .	.85	Rio Vista . . . . .	.89	Santa Monica . . . . .	.577	Vallejo	1,960
Oxnard	1,657	Rocklin . . . . .	.733	Santa Paula . . . . .	.145	Villa Park . . . . .	.23
Pacific Grove . . . . .	.209	Rolling Hills . . . . .	.15	Santa Rosa . . . . .	.850	Walnut . . . . .	.75
Pacifica . . . . .	.296	Rolling Hills Estates . . . . .	.68	Saratoga . . . . .	.141	Weed . . . . .	.32
Palm Desert . . . . .	.417	Rosemead . . . . .	.183	Sausalito . . . . .	.187	West Covina	1,039
Palm Springs . . . . .	.332	Roseville	3,233	Scotts Valley . . . . .	.183	West Hollywood . . . . .	.456
Palo Alto	3,668	Ross . . . . .	.64	Seal Beach . . . . .	.302	West Sacramento . . . . .	.207
Paradise . . . . .	.332	Salinas	1,274	Selma . . . . .	.275	Westlake Village . . . . .	.36
Paramount . . . . .	.251	San Anselmo . . . . .	.162	Shasta Lake . . . . .	.128	Westminster . . . . .	.916
Pasadena	4,390	San Carlos . . . . .	.315	Sierra Madre . . . . .	.149	Williams . . . . .	.53
Patterson . . . . .	.187	San Clemente . . . . .	.466	Signal Hill . . . . .	.375	Willows . . . . .	.79
Perris . . . . .	.241	San Dimas . . . . .	.155	Solana Beach . . . . .	.136	Winters . . . . .	.47
Petaluma . . . . .	.722	San Fernando . . . . .	.471	Solvang . . . . .	.92	Woodlake . . . . .	.58
Pico Rivera . . . . .	.479	San Francisco City & County . . . . .	.187	South El Monte . . . . .	.111	Woodland	944
Piedmont . . . . .	.234	San Gabriel . . . . .	.392	South Gate . . . . .	.799	Woodside . . . . .	.38
Pinole . . . . .	.364	San Jacinto . . . . .	.6	South Pasadena . . . . .	.458	Yorba Linda . . . . .	.253
Pismo Beach . . . . .	.141	San Juan Capistrano . . . . .	.219	Stanton . . . . .	.124	Yountville . . . . .	.75
Placentia . . . . .	.373	San Leandro	1,199	Suisun City . . . . .	.179	Yreka . . . . .	.102
Pomona	2,098	San Luis Obispo . . . . .	.743	Sunnyvale	3,106	Yuba City . . . . .	.164
Port Hueneme . . . . .	.219	San Marcos . . . . .	.149	Sutter Creek . . . . .	.38	Yucaipa . . . . .	.75
Portola Valley . . . . .	.32	San Marino . . . . .	.264	Temecula . . . . .	.258	Yucca Valley . . . . .	.104
Rancho Cordova . . . . .	.89	San Mateo	1,725	Temple City . . . . .	.121	Total Covered Lives	169,573

Districts & Other Public Agencies (709 total)

Academic Senate for California Community Colleges	13	Anderson Cemetery District	6
Agoura Hills and Calabasas Community Center	17	Anderson Fire Protection District	30
Alameda Corridor Transportation Authority	30	Antelope Valley Mosquito and Vector Control District	17
Alameda County Congestion Management Agency	45	Antioch Charter Academy	17
Alameda County Fire Department	1,027	Antioch Charter Academy II	6
Alameda County Law Library	38	Apple Valley Fire Protection District	136
Alameda County Mosquito Abatement District	51	Aptos/La Selva Fire Protection Agency	98
Alameda County Schools Insurance Group	2	Arbuckle-College City Fire Protection District	9
Alameda County Transportation Improvement Authority	26	Arcata Fire Protection District	70
Alameda County Waste Management Authority	85	Area 12 Agency on Aging	28
Alameda County Water District	705	Arrowbear Park County Water District	19
Albany Municipal Services Joint Powers Authority	38	Arroyo Grande District Cemetery	9
Alhambra Redevelopment Agency	9	Associated Students California State University, San Bernardino	9
Alliance of Schools for Cooperative Insurance Programs	43	Association of Bay Area Governments	204
Alpine Springs County Water District	6	Association of Monterey Bay Area Governments	19
Altadena Library District	75	Atascadero Cemetery District	15
Amador County Superior Court	55	Auburn Public Cemetery District	19
Amador Water Agency	138	Aztec Shops, Ltd.	207
American Canyon Fire Protection District	49	Bardsdale Cemetery District	6

Health Benefits Program Data (continued)

Districts & Other Public Agencies (continued)

Bay Area Air Quality Management District	1,050	California State University, Los Angeles-USU Board	53
Bay Area Library and Information System	4	California State University, Stanislaus Auxiliary and Business Services	21
Bay Area Water Supply and Conservation Agency	17	Calleguas Municipal Water District	170
Beach Cities Health District	109	Camarillo Health Care District	43
Bear Mountain Recreation and Park District	9	Cambria Cemetery District	4
Beaumont District Library	19	Cambria Community Healthcare District	28
Beaumont-Cherry Valley Recreation and Park District	2	Cambria Community Services District	119
Beaumont-Cherry Valley Water District	66	Cameron Park Community Services District	26
Bella Vista Water District	75	Capistrano Bay Community Services District	2
Belmont-San Carlos Fire Department	185	Capitol Area Development Authority	96
Belvedere-Tiburon Joint Recreation	4	Carmel Highlands Fire Protection District of Monterey County	2
Belvedere-Tiburon Library Agency	21	Carmel Regional Fire Ambulance Authority	11
Ben Lomond Fire Protection District	4	Carmel Valley Fire Protection District	30
Benicia City Housing Authority	23	Carpinteria Public Cemetery District	4
Bennett Valley Fire Protection District	6	Castaic Lake Water Agency	236
BETA Healthcare Group Risk Management Authority	128	Castro Valley Sanitary District	53
Big Bear Area Regional Wastewater Agency	47	Castroville Community Services District	13
Big Bear City Airport District	15	Cayucos Sanitary District	13
Big Bear City Community Services District	198	Cayucos-Morro Bay Cemetery District	4
Black Gold Cooperative Library System	19	Central Contra Costa Transit Authority	462
Blanchard/Santa Paula Public Library District	30	Central Fire Protection District of Santa Cruz County	209
Bonita-Sunnyside Fire Protection District	60	Central Marin Sanitation Agency	121
Boulder Creek Fire Protection District	6	Central Plumas Recreation and Park District	4
Branciforte Fire Protection District	9	Central Sierra Child Support Agency	49
Brannan-Andrus Levee Maintenance District	4	Central Valley Regional Center, Inc.	786
Buena Park Library District	58	Cesar Chavez Student Center, Inc.	55
Butte County Air Quality Management District	21	Channel Islands Beach Community Services District	15
Butte County Association of Governments	19	Chester Fire Protection District	13
Butte County In-Home Supportive Services Public Authority	9	Chester Public Utility District	11
Butte County Law Library	2	Chino Basin Watermaster	15
Butte County Superior Court	239	Chino Valley Independent Fire District	275
Butte Local Agency Formation Commission	6	Chowchilla Cemetery District	11
Byron, Brentwood, Knightsen Union Cemetery District	9	Clear Creek Community Services District	21
Cal Poly Corporation	654	Coachella Valley Association of Governments	28
Calaveras County Superior Court	60	Coachella Valley Mosquito and Vector Control District	111
Calaveras County Water District	209	Coachella Valley Public Cemetery District	13
Calaveras Public Utility District	15	Coalinga-Huron Recreation and Park District	19
California Authority of Racing Fairs	26	Coastal Animal Services Authority	17
California Bear Credit Union	62	Coastal Developmental Services Foundation DBA Westside Regional Center	437
California Dried Plum Board	11	Coastside Fire Protection District	62
California Fair Services Authority	92	Colusa County Superior Court	32
California Fairs Financing Authority	55	Colusa Mosquito Abatement District	6
California Interscholastic Federation, Central Coast Section	4	Community College League of California	32
California Interscholastic Federation, North Coast Section	13	Compton Creek Mosquito Abatement District	2
California Interscholastic Federation, Northern Section	2	Conejo Recreation and Park District	204
California Interscholastic Federation, San Diego Section	17	Consolidated Area Housing Authority of Sutter County	66
California Interscholastic Federation, Southern Section	62	Contra Costa County Law Library	17
California Joint Powers Insurance Authority	62	Contra Costa County Schools Insurance Group	40
California Joint Powers Risk Management Authority	13	Contra Costa Fire Protection District	1,463
California Municipal Utilities Association	13	Contra Costa Mosquito Vector Control District	83
California State and Federal Employees No. 20 Credit Union	19	Contra Costa Special Ed Local Plan Area	19
California State University, Bakersfield Foundation	51	Contra Costa Transportation Authority	45
California State University, Dominguez Hills Foundation	104	Corning Water District	6
California State University, Fresno Association, Inc.	371	Costa Mesa Sanitary District	21
California State University, Fresno Athletic Corporation	145		
California State University, Long Beach Foundation	326		

Health Benefits Program Data (continued)

Districts & Other Public Agencies (continued)

Cosumnes Community Services District	675	Fern Valley Water District	11
Cottonwood Cemetery District	4	First Five of Mariposa County	2
Cottonwood Fire Protection District	11	Florin County Water District	19
Crescent City Harbor District	38	Foothill/Eastern Transportation Corridor Agency	170
Crestline Lake Arrowhead Water Agency	30	Forestville Fire Protection District	15
Crockett Community Services District	2	Fort Bragg Fire Protection Authority	9
CSAC Excess Insurance Authority	98	Fort Ord Reuse Authority	23
Dairy Council of California	98	Fresno County Law Library	15
Davis Cemetery District	9	Fresno Irrigation District	183
Deer Springs Fire Protection District	4	Fresno-Madera Area Agency on Aging	66
Del Norte County Library District	2	Fruitridge Fire Protection District	4
Del Norte Healthcare District	6	Fullerton California State University Associated Students	151
Del Paso Manor Water District	11	Fulton El-Camino Recreation and Park District	40
Del Paso Manor Water District-Directors	2	Garden Valley Fire Protection District	9
Del Puerto Water District	9	Gilsizer County Drainage District	6
Del Rey Community Services District	13	Glen Ellen Fire Protection District	9
Delta Diablo Sanitation District	200	Glenn County Mosquito and Vector Control District	6
Delta Vector Control District	34	Glenn County Superior Court	51
Denair Community Services District	9	Gold Coast Transit	296
Desert Healthcare District	28	Gold Ridge Fire Protection District	19
Diamond Springs/El Dorado Fire Protection District	70	Golden Sierra Job Training Agency	77
Dominguez Hills CSU Associated Students	9	Goleta Cemetery District	11
Dominguez Hills CSU Associated Students – Child Development Center	9	Goleta Sanitary District	66
Donald P. and Katherine B. Loker University Student Union, Inc.	19	Goleta West Sanitary District	26
Dougherty Regional Fire Authority	23	Great Basin Unified Air Pollution Control District	64
Dublin San Ramon Services District	309	Greater Anaheim Special Education Local Plan Area	45
Dunnigan Water District	6	Greater Los Angeles County Vector Control District	162
East Bay Dischargers Authority	15	Greater Vallejo Recreation District	126
East Bay Regional Park District	149	Green Valley County Water District	4
East Diablo Fire District	96	Gridley Biggs Cemetery District	15
East Kern Airport District	77	Grossmont Healthcare District	30
East Palo Alto Sanitary District	19	Grossmont Schools Federal Credit Union	34
East Quincy Services District	11	Hamilton Branch Fire Protection District	2
East Valley Water District	168	Hamilton City Community Services District	4
Eastern Municipal Water District	1,342	Harbor Developmental Disabilities Foundation, Inc.	466
Eastern Plumas Health Care District	328	Hayward California State University, Auxiliary Foundation, Inc.	173
Eastern Sierra Community Services District	15	Heartland Communications Facility Authority	17
Eastern Sierra Transit Authority	47	Heritage Ranch Community Services District	26
El Camino Irrigation District	2	Hesperia Fire Protection District	9
El Dorado County Fire Protection District	262	Hesperia Recreation and Park District	85
El Dorado County Transit Authority	47	Hesperia Water District	104
El Dorado County Transportation Commission	13	Hilton Creek Community Services District	4
El Dorado Hills Community Services District	43	Housing Authority of the City of Eureka	43
El Dorado Hills County Water District	158	Housing Authority of the City of Los Angeles	1,480
El Dorado Irrigation District	675	Housing Authority of the County of Santa Clara	494
Encina Wastewater Authority	119	Housing Authority of the County of Santa Cruz	145
Esparto Community Services District	11	Hub Cities Consortium	40
Estero Municipal Improvement District	475	Humboldt County Association of Governments	4
Fair Oaks Cemetery District	9	Humboldt County Superior Court	200
Fair Oaks Recreation and Park District	38	Humboldt No. 1 Fire Protection District of Humboldt County	40
Fairfield-Suisun Sewer District	119	Humboldt State College University Center	121
Fall River Mills Community Services District	6	Humboldt Transit Authority	96
Fallbrook Healthcare District	4	Idyllwild Fire Protection District	36
Feather River Air Quality Management District	11	Indian Valley Community Services District	2
Feather Water District	9	Indian Valley Health Care District	2
Felton Fire Protection District	2	Inland Empire Utilities Agency	611
		Intelcom Intelligent Telecommunications	47

Health Benefits Program Data (continued)

Districts & Other Public Agencies (continued)

Inverness Public Utility District	13	Mendocino Coast Hospital District	567
Ironhouse Sanitary District	96	Menlo Park Fire Protection District	275
Irvine Ranch Water District	746	Merced County Housing Authority	119
Jamestown Sanitary District	17	Mesa Consolidated Water District	126
JRS Napa County Superior Court	6	Metropolitan Cooperative Library System	23
Jurupa Community Services District	236	Metropolitan Transportation Commission	398
Kanawha Water District	9	Metropolitan Water District of Southern California	6,758
Kensington Community Services District	45	Mid-Carmel Valley Fire Protection District	26
Kensington Fire Protection District	21	Midpeninsula Regional Open Space District	185
Kentfield Fire Protection District	51	Midway City Sanitary District	107
Kenwood Fire Protection District	6	Midway Heights County Water District	4
Kern County Council of Governments	51	Millville Masonic and Odd Fellows Cemetery District	2
Kern County Housing Authority	307	Mission Valley Regional Occupational Center/Program	66
Kern County Law Library	6	Mojave Desert Air Quality Management	58
Kern Regional Center	407	Mojave Water Agency	96
Kirkwood Meadows Public Utility District	28	Monte Vista County Water District	58
Lake Hemet Municipal Water District	128	Montecito Fire Protection District	170
Lake Valley Fire Protection District	68	Monterey Bay Unified Air Pollution Control District	70
Lakeside Fire Protection District	181	Monterey County Law Library	2
Las Gallinas Valley Sanitary District of Marin County	64	Monterey County Superior Court	477
Lathrop-Manteca Fire Protection District	87	Monterey County Water Resources Agency	136
Leucadia Wastewater District	55	Monterey Peninsula Airport District	111
Levee District No. 1 of Sutter County	4	Monterey Peninsula Regional Park District	43
Linda Fire Protection District	38	Monterey-Salinas Transit	411
Linden-Peters Rural County Fire Protection District	36	Moraga-Orinda Fire Protection District	305
Littlerock Creek Irrigation District	15	Morongo Basin Transit Authority	45
Live Oak Cemetery District	4	Mosquito and Vector Management District of Santa Barbara County	13
Livermore/Amador Valley Transit Authority	40	Moss Landing Harbor District	13
Local Agency Formation Commission of Monterey County	6	Mother Lode Job Training Agency	49
Local Government Services Authority, a Joint Powers Authority	64	Mt. Diablo Health Care District	4
Lompoc Cemetery District	11	Mt. San Antonio College Auxiliary Services	107
Lompoc Healthcare District	550	Mt. View Sanitary District of Contra Costa County	43
Long Beach State University, Associated Students	117	Muir Beach Community Services District	4
Los Angeles County Area 'E' Civil Defense and Disaster Board	2	Murrieta Fire Protection District	136
Los Angeles County Law Library	147	Napa County Mosquito Abatement District	26
Los Angeles Office of Education	9,053	Napa County Superior Court	204
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Los Angeles Memorial Coliseum Commission	81	Nevada Cemetery District	6
Los Osos Community Services District	19	Nevada County Superior Court	151
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Madera Cemetery District	53	Nevada-Sierra Regional IHSS Public Authority	17
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March Joint Powers Authority	15	North Coast Railroad Authority	4
Mare Island Technology Academy	85	North Coast Unified Air Quality Management District	38
Marin County Housing Authority	138	North County Fire Protection District of Monterey County	98
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Marin Municipal Water District	880	North County Transit District	803
Marinwood Community Services District	66	North Los Angeles County Regional Center, Inc.	837
Maxwell Public Utility District	6	North Marin Water District	166
Mayers Memorial Hospital District	294	North State Cooperative Library System	13
McCloud Community Services District	28	North Tahoe Fire Protection District	124
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Northstar Community Services District	85	Reclamation District No. 833	11
Novato Sanitary District	107	Reclamation District No. 900	11
Oakland City Housing Authority	794	Reclamation District No. 1000	36
Ocean Grove Charter School	53	Reclamation District No. 1001	36
Ojai Valley Sanitary District	43	Reclamation District No. 1601	6
Olivehurst Public Utility District	47	Redway Community Services District	13
Ophir Hill Fire Protection District	4	Regional Council of Rural Counties	47
Orange County Fire Authority	733	Regional Government Services Authority	6
Orange County Vector Control District	147	Regional Water Authority	15
Oro Loma Sanitary District	166	Richardson Bay Sanitary District	19
Oroville Cemetery District	21	Rincon Del Diablo Municipal Water District	79
Oroville Mosquito Abatement District	2	Riverbank City Housing Authority	4
Oxnard Harbor District	94	Riverdale Public Utility District	6
Pacific Fire Protection District	28	Riverside County Housing Authority	4
Pajaro Valley Public Cemetery District	15	Riverside County Superior Court	2
Palm Drive Health Care District	296	Riverside County Transportation Commission	111
Palm Ranch Irrigation District	11	Roseville Public Cemetery District	21
Palm Springs Cemetery District	13	Ross Valley Fire Service	117
Paradise Recreation and Park District	28	Rubidoux Community Services District	4
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Pomerado Cemetery District	13	San Bernardino Economic Development Agency	60
Pomona, California State Polytechnic University, Associated Students, Inc.	109	San Bernardino, California State University, Foundation	288
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San Lorenzo Valley Water District	51	South San Luis Obispo County Sanitation District	21
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San Luis Obispo County Pension Trust	11	Southern California Public Power Authority	17
San Luis Obispo Regional Transit Authority	15	Southern California Regional Rail Authority	492
San Marcos, California State University, Foundation	89	Southern Humboldt Community HealthCare District	111
San Mateo County Resource Conservation District	2	Southern Inyo Health Care District	155
San Mateo County Schools Insurance Group	13	Southern San Joaquin Municipal Utility District	62
San Mateo County Transit District	1,915	Spartan Shops, Inc.	275
San Miguel Community Services District	11	Squaw Valley Public Service District	40
San Miguel Consolidated Fire Protection District	371	Stanislaus County Housing Authority	241
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San Simeon Community Services District	2	Stege Sanitary District	19
Sanitary District No. 5 of Marin County	26	Stinson Beach County Water District	21
Santa Barbara County Association of Governments	43	Strawberry Recreation District	15
Santa Barbara County Law Library	9	Student Union of San Jose State University	68
Santa Clara County Health Authority	347	Summit Cemetery District	38
Santa Clara County Law Library	4	Superior Court of California, San Luis Obispo	288
Santa Cruz Consolidated Emergency Communications Center	119	Susanville Sanitary District	19
Santa Cruz County Regional Transportation Commission	38	Sutter Cemetery District	26
Santa Cruz County Superior Court	337	Sweetwater Springs Water District	23
Santa Cruz Local Agency Formation Commission	6	Sylvan Cemetery District	9
Santa Cruz Metropolitan Transit District	1,037	Tahoe City Public Utility District	113
Santa Fe Irrigation District	162	Tahoe-Truckee Sanitation Agency	164
Santa Maria Public Airport District	30	Temecula Public Cemetery District	9
Santa Paula City Housing Authority	23	Templeton Community Services District	49
Saratoga Fire Protection District	23	Thermalito Water and Sewer District	23
Sausalito-Marín City Sanitary District	45	Three Arch Bay Community Services District	2
School Personnel Credit Union	21	Tower Foundation, San Jose State University	2
Schools Excess Liability Fund	17	Trabuco Canyon Water District	62
Scotts Valley Water District	53	Tracy Rural County Fire Protection District	4
Selma-Kingsburg-Fowler County Sanitation District	87	Transportation Agency for Monterey County	26
Sequoia Healthcare District	6	Truckee Fire Protection District	128
Serra Cooperative Library System	9	Truckee Sanitary District	92
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Shasta Area Safety Communications Agency	92	Tulare Mosquito Abatement District	13
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Shasta Mosquito and Vector Control District	34	Tuolumne Fire District	11
Shasta Valley Cemetery District	11	Tuolumne Utilities District	217
Sierra Lakes County Water District	21	Turlock Mosquito Abatement District	36
Sierra-Sacramento Valley Emergency Medical Services Agency	21	Twain Harte Community Services District	26
Silicon Valley Animal Control Authority	36	Twin Cities Police Authority	151
Siskiyou County Superior Court	109	Ukiah Valley Fire District	15
Smith River Community Services District	13	Union Sanitary District	400
Solano County Mosquito Abatement District	30	United Water Conservation District	109
Solano County Superior Court	471	University Corporation	285
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Sonoma Student Union Corporation	6		

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Valley Mountain Regional Center, Inc.	498	Westlands Water District	351
Valley of the Moon Fire District	53	Wildomar Cemetery District	9
Valley of the Moon Water District	34	Willow Creek Community Services District	6
Valley Sanitary District	43	Willows Cemetery District	6
Valley-Wide Recreation and Park District	51	Wilton Fire Protection District	2
Ventura County Law Library	13	Winterhaven Water District	4
Ventura County Transportation Commission	47	Winters Cemetery District	9
Ventura Port District	72	Winters Fire Protection District	11
Ventura Regional Sanitation District	149	Woodlake Fire District	6
Veterans Home of California Post Fund	28	Woodside Fire Protection District	179
Victor Valley Wastewater Reclamation Authority	83	Yolo County Housing Authority	79
Water Facilities Authority	15	Yolo County In-Home Supportive Services Public Authority	6
Weaverville Community Services District	13	Yolo County Public Agency Risk Management Insurance Authority	17
Weaverville Sanitary District	2	Yolo County Superior Court	213
West Bay Sanitary District	51	Yolo County Transportation District	26
West Cities Communication Center	23	Yolo Emergency Communications Agency	87
West Contra Costa Healthcare District	11	Yolo-Solano Air Quality Management District	66
West Contra Costa Integrated Waste Management Authority	13	Yuba County Water Agency	79
West County Wastewater District	149	Yuba Sutter Transit Authority	4
Western Canal Water District	21	Total Covered Lives.	101,858

School Districts (120 total)

Acalanes Union High School District	1,308	Duarte Unified School District	733
Alameda City Unified School District	1,838	Dublin Unified School District	533
Albany City Unified School District	907	El Camino Community College District	2,194
Alta-Dutch Flat Union Elementary School District	19	El Dorado Union High School District	55
Antioch Unified School District	2,886	Empire Union Elementary School District	185
Berryessa Union Elementary School District	1,770	Fairfield-Suisun Unified School District	3,627
Bonita Unified School District	1,542	Fillmore Unified School District	878
Brisbane Elementary School District	170	Fremont Unified School District	4,305
Burbank Unified School District	1,214	Fremont Union High School District	155
Burlingame Elementary School District	396	Garfield Charter School	94
Campbell Union Elementary School District	1,478	Gavilan Joint Community College District	596
Campbell Union High School District	1,674	Hayward Unified School District	3,210
Castaic Union Elementary School District	424	Healdsburg Unified School District	251
Centinel Valley Union High School District	1,811	Hillsborough City School District	288
Cerritos Community College District	1,936	Holtville Unified School District	4
Chatom Union Elementary School District	36	Howell Mountain Elementary School District	26
Compton Unified School District	3,868	John Swett Unified School District	364
Connecting Waters	138	Knights Ferry Elementary School District	13
County School Service – Alameda County Schools	494	Knightsen School District	51
County School Service – Contra Costa County Schools	1,353	La Grange Elementary School District	4
County School Service – Napa County Schools	439	Las Lomitas Elementary School District	288
County School Service – Sacramento County Schools	1,906	Las Virgenes Unified School District	2,153
County School Service – San Mateo County Schools	1,340	Liberty Union High School District	1,069
County Superintendent of Schools Office – Riverside County Schools	4,117	Little Lake City Elementary School District	912
Culver City Unified School District	1,502	Los Altos Elementary School District	1,116
Davis Joint Unified School District	1,229	Los Nietos Elementary School District	447
		Lowell Joint Elementary School District	515

Health Benefits Program Data (continued)

School Districts (continued)

Martinez Unified School District	865	Ross Valley Elementary School District	447
Menlo Park City Elementary School District	624	Sacramento City Unified School District	6,997
Mill Valley Elementary School District	530	San Bruno Park Elementary School District	607
Millbrae Elementary School District	447	San Carlos Elementary School District	484
Monterey Peninsula Unified School District	3,387	San Leandro Unified School District	1,208
Moreland Elementary School District	765	San Mateo County Community College District	3,306
Morgan Hill Unified School District	1,546	San Mateo-Foster City School District	2,047
Mountain House Elementary School District	4	San Rafael City Elementary School District	673
Mt. Diablo Unified School District	7,148	San Rafael City High School District	692
Mt. Pleasant Elementary School District	452	Santa Monica Community College District	2,403
Mt. San Antonio Community College District	3,067	Santa Monica-Malibu Unified School District	3,255
Napa Community College District	961	Saugus Union Elementary School District	1,248
Napa Valley Unified School District	3,212	Sequoia Union High School District	2,556
Natomas Unified School District	931	Sky Mountain Charter School	58
Newark Unified School District	567	Sonoma Valley Unified School District	867
Newman-Crows Landing Unified School District	358	South Pasadena Unified School District	807
North Monterey County Unified School District	648	South San Francisco Unified School District	2,394
North Orange County Community College District	4,531	South Sutter Charter School	111
Ohlone Community College District	824	South Whittier School District	829
Orinda Union School District	596	Stanislaus Office of Education	1,031
Pacifica School District	850	Temple City Unified School District	641
Palos Verdes Peninsula Unified School District	2,537	Turlock Joint Unified School District	1,233
Paradise Elementary School District	30	Twin Rivers Unified School District	6,085
Pittsburg Unified School District	1,757	Union Elementary School District	771
Pleasanton Unified School District	396	Vacaville Unified School District	2,260
Pope Valley Union Elementary School District	15	Valle Lindo Elementary School District	187
Ravenswood City Elementary School District	1,014	Vallejo City Unified School District	3,700
Redwood City Elementary School District	2,021	West Contra Costa Unified School District	9,736
Reed Union Elementary School District	351	Whittier City Elementary School District	1,218
Rio Hondo Community College District	1,574	William S. Hart Union High School District	3,913
River Delta Joint Unified School District	368	Wiseburn Elementary School District	373
Riverbank Unified School District	509	Total Covered Lives.	165,026
Ross Elementary School District	143		

Supplemental Income Plans (SIP)

By saving for the future, CalPERS members may face the road to retirement with confidence. CalPERS provides members with important tools to help supplement future needs.

The CalPERS Supplemental Income Plans include:

- CalPERS Supplemental Income 457 Plan
- Supplemental Contributions Plan (SCP)
- State Peace Officers and Firefighters (SPOFF) Supplemental Plan.

CalPERS SUPPLEMENTAL INCOME 457 PLAN

Designed with high standards of quality and service, the CalPERS Supplemental Income 457 Plan is a way for participants to defer a portion of pre-tax salary into investments of an individual's choosing. It allows both the amount deferred and the amount earned on the investment to be protected from income tax until the money is taken out during retirement. The plan supplements the retirement benefit plans offered by CalPERS. All California public agencies and school districts may adopt the 457 Plan for the benefit of their employees.

The CalPERS Board controls the investment and administrative functions of the CalPERS Supplemental Income 457 Plan. Assets are held in trust by the Board for the exclusive benefit of participating employees.

As of June 30, 2009, the CalPERS Supplemental Income 457 Plan was adopted by 678 California public agencies and school districts. Below is a summary of participating public agencies within the CalPERS Supplemental Income 457 Plan. For a full listing of the CalPERS Supplemental Income 457 Plan participating public agencies, please visit our public agency employer page at www.calpers.ca.gov.

Participating Public Agency Summary

Agency	
Cities	103
Counties	16
Community College Districts, School Districts & County Offices of Education	142
Districts & Other Public Agencies	281
Police & Fire Districts	53
Water Districts	83
TOTAL	678

SUPPLEMENTAL CONTRIBUTIONS PLAN

The Supplemental Contributions Plan is available to State of California employees who are members of CalPERS, as well as active judges who are members of the Judges Retirement System I or II. Participants may invest after-tax contributions through payroll deductions or cash contributions by check. Participant contributions and all earnings grow tax-deferred until SCP participants begin to take withdrawals in retirement or upon separation from State employment.

SPOFF SUPPLEMENTAL PLAN

The State Peace Officers' and Firefighters' (SPOFF) Supplemental Plan (also known as State POFF Defined Contribution Plan), is an employer provided benefit negotiated between the State of California and employee groups. The contributions are invested by CalPERS and credited to each participant's account along with any net earnings. The balance of the account is available to SPOFF participants only at retirement or upon permanent separation from State employment.

SIP FUND LINEUP ENHANCEMENTS

During the 2008-09 fiscal year, CalPERS Supplemental Income Plans implemented substantial enhancements to all plans. These changes were designed to provide members greater fund diversification and expand the number of investment options. All enhancements were made without increasing the cost to members. Changes include:

- Addition of 11 Target Retirement Date Funds internally managed by CalPERS.
 - Eases the member investment selection process.
 - Utilizes Glidepath strategy to reduce risk (investment mix becomes more conservative as member approaches retirement).
- Risk Based Asset Allocation Funds (Conservative, Moderate and Aggressive) internally managed by CalPERS.
- Addition of two actively managed Small-Mid Cap Funds.
- Addition of an actively managed International Fund.

Supplemental Income Plans (SIP) (continued)

Changes to State POFF Supplemental Plan
Investment lineup:

- Replaced externally managed fund with a balanced Moderate Asset Allocation Fund internally managed by CalPERS.

Changes to the CalPERS Supplemental Income Plans have been implemented at a low cost through a simple,

fully disclosed fee structure. Total fees for administration and investment management of the core funds and asset allocation funds are less than 1 percent. Lower fees allow participants to pay themselves more, building up their account over time.

The financial statements for this plan are in this report as part of the Financial Section and the accompanying notes and schedules.

Long-Term Care Program Data

The CalPERS Long-Term Care (LTC) program is a self-funded insurance program that provides financial protection to members from the high cost of extended personal care caused by illness, injury, or the frailty of old age. Research indicates that six out of 10 people over the age of 65 will need long-term care during their lifetime. Long-Term Care policies cover personal care services not typically covered by traditional health insurance or Medicare.

CalPERS LTC program offers several plans with coverage and time duration options.

During fiscal year 2008-09, LTC membership remained stable with 165,023 enrolled members. Annual premiums as of June 30, 2009 are \$296.5 million.

Investments were \$2.1 billion, with \$116.2 million being paid out in benefits to members. Total benefits paid since the Program's inception in 1995 are \$588.6 million.

CalPERS LTC program continues to be one of the largest of its kind in the nation, devoted to providing outstanding long-term coverage with competitively priced premiums.

The financial statements for this program are found in the Financial Section and in accompanying notes and spreadsheets.

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Index of Tables, Charts & Lists

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Glossary of Acronyms

CalPERS: California Public Employees' Retirement System
CERBTF: California Employers' Retiree Benefit Trust Fund
CRF: Contingency Reserve Fund
DCF: Deferred Compensation Fund
HCF: Health Care Fund
IRC 457: Public Agency Deferred Compensation Program

JRF: Judges' Retirement Fund
JRS: Judges' Retirement System
LRF: Legislators' Retirement Fund
LRS: Legislators' Retirement System
OASI: Old Age & Survivors' Insurance Revolving Fund
PERF: Public Employees' Retirement Fund
PERS: Public Employees' Retirement System
RBF: Replacement Benefit Fund
SPOFF: State Peace Officers' and Firefighters' Defined Contribution Plan Fund
SCPF: Supplemental Contributions Program Fund



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